Daily Report

Latin America

FBIS-LAT-93-170
Friday
3 September 1993

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FBIS-LAT-93-170 *3 September 1993*

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Cuba

Venezuelan Foreign Minister Rejects 'Yankee Blockade'

FL0109221293 Havana Radio Reloj Network in Spanish 1954 GMT 1 Sep 93

[Report: "Solidarity With Cuba Reiterated in Latin America"]

[Text] In Bogota, Venezuelan Foreign Minister Fernando Ochoa has rejected the Yankee blockade of our country as a solution to the island's crisis and expressed approval of any action by other governments to help solve the crisis. During a news conference held at the local Foreign Ministry in the company of his Colombian counterpart, Nohemi Sanin, Ochoa said that the recent meeting between Cuban President Fidel Castro and Colombian President Cesar Gaviria constituted an act of absolute sovereignty.

Havana Notes China Reaction to U.S. Sanctions

FL0209160093 Havana Radio Reloj Network in Spanish 1433 GMT 2 Sep 93

[Text] The PRC has characterized Washington's imposition of sanctions on Beijing, for the alleged sale of modern nuclear missiles to Pakistan, as a clear example of the use of a policy of force and as a threat to common ties. (Wo Hia Ming), spokesman for the PRC Ministry of Foreign Affairs, said that this action even affects the interests of Washington, which must assume full responsibility for the consequences. (Wo Hia Ming) added that the PRC uses dialogues to solve differences and that it rejects all pressures.

Chinese newspapers printed reports on U.S. businessmen expressing concern over the U.S. Government's decision, which could cause losses estimated at more than $400 million. The sanctions consist of a two-year prohibition on the sale of technology that could be used in the military field, sanctions, which, as many warn, must be canceled in order to improve mutual ties.

Mexico's Bid To Join Group of 24 Supported

FL0209132393 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Sep 93

[Text] The Governments of Cuba and Panama have expressed their support for and solidarity with Mexico's efforts to join the group of the 24 most industrialized countries in the world. Angel Gomez Trueba, Cuban delegate to the eighth meeting of the Group of 77's Intergovernmental Committee on Cooperation, said that, for his part, any positive results for Mexico would be reflected in the rest of the region.

Gomez Trueba said Latin America will benefit economically if a country identified with the region's interests becomes a member of the group of industrialized nations. Regardless of the forum or organization that Mexico joins, it will continue to be a Latin Americanist country. We think this should help the entire region, the Cuban delegate said.

Havana Notes Support From Jamaica, Mexico

FL0209182593 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Sep 93

[Text] Mexico and Jamaica have called for Cuba's complete reincorporation into the inter-American system and for the strengthening of economic and political relations between Latin America and Cuba. In a joint communique issued in the Mexican capital, the two countries pointed out that this objective must be accomplished through complete adherence to the principles of noninterference and self-determination. The document was issued on the occasion of Jamaican Prime Minister Percival Patterson's trip to Mexico, which concludes today. Patterson met with Mexican President Carlos Salinas de Gortari yesterday.

First Session of CDR 4th Congress Ends

FL0209153793 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Sep 93

[Report by Carlos Sanabria Marrero in Santiago de Cuba—live relay]

[Excerpts] The first session of the fourth congress of the Committees for the Defense of the Revolution [CDR] has just ended here with a pledge to defend the Revolution and its gains even at the cost of life itself. The congress was held in the Heredia Theater with 198 delegates and as many guests in attendance. The first agreements adopted were to salute all Cuban educators on the beginning of the new school year and to send surplus funds, raised to finance the congress, to Commander in Chief Fidel Castro for use to meet the country's needs.

Revolutionary vigilance and combatting social indiscipline, crime, and enemy activity were the topics which most of the time was spent during the debates. There were strong and unanimous calls for an iron hand to be applied to these negative phenomena. [passage omitted with recording of unidentified participant's comments on the need for strict enforcement of the law]

Other matters discussed in the first session of the fourth CDR session, which ended here in Santiago de Cuba just a few moments ago, were blood donations, with heavy criticism of the Public Health authorities for not providing adequate guarantees, and support for the food program and the recovery of raw material.

In the closing session [as heard], carried out in the presence of some 2,500 Santiago residents, who filled the theater to overflowing, the new CDR provincial secretariat was presented, as follows: Alfonso Ramos, confirmed as coordinator; and comrades Luis Torres Reyes

and (Irene Hernandez). The Santiago CDR also recognized, as the best municipalities in 4th Congress emulation, Segundo Frente, Julio Antonio Mella, and Palma Soriano, whose representatives received awards from Politburo member Esteban Lazo and Division General Sixto Batista.

The closing speech was made by Estaban Lazo, a member of the Politburo and first secretary of the Communist Party of Cuba in the province. He outlined a broad spectrum of measures that will go into effect immediately so that the full force of revolutionary justice will fall on those guilty of crimes, social indiscipline, and enemy activity, in view of the urgent need to preserve the Revolution and its gains. Lazo also listed the CDR's successes from Santiago during the period and concluded with vibrant words:

[Begin Lazo recording] The Revolution has never been in greater peril than now, and the revolutionaries' firmness, fidelity, and loyalty have never been as valuable for saving the fatherland than at this time. The sons of this heroic city have never had as decisive a role to play as the one we have to play now in order to save the fatherland, the Revolution, and socialism by defending the fatherland in all areas, political, economic, ideological, and defense. With this belief, we will achieve victory. We must all leave here with that same spirit to fight on all fronts. Let Fidel know that after 26 July, with the same love, the same revolutionary fervor, not just those of us who were here, because we did not all fit, but other large groups of people from Santiago, remained on 26 July, [as heard] in this same theater, with the same spirit, the same determination, the same feelings, and the same commitment to victory. [end recording]

Lezcano: New School Shows Country's Ability to Resist

FL0209160193 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Sep 93

[Excerpt] [passage omitted] It is important to note that amid the difficult conditions the country is experiencing, the capital built another school, adapted locales to form 96 new classrooms, and repaired 265 centers, including 86 child-care centers. This permitted 95 percent of the educational installations to earn readiness status.

In this regard, Jorge Lezcano Perez, first secretary of the Communist Party of Cuba in City of Havana Province, said the opening of a new school demonstrates the Revolution's ability to resist and to resolve problems of vital importance:

[Begin recording] That is the issue here. That is the importance of this school year. That is the importance of this Raul Ferrer School. That is the importance of the material resources, which were found in all the municipalities of our province to resolve the material problems of the school year, the problem of feeding our students in this school year. [end recording] [passage omitted]

Eastern Army Commences Second 1993 Instruction Period

FL0209122993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 Sep 93

[Report by Luis Naranjo]

[Text] Camaguey Province was the site of the ceremony marking the beginning of the second period of military instruction for 1993 in the Eastern Army. Tank Unit No. 13-90 hosted the lovely ceremony presided over by Division General Ramon Espinosa Martin, Hero of the Republic of Cuba and chief of the Eastern Army.

At the ceremony, there was a salute from the young fighters, who are components of the fighting masses, and the unit's soldiers, sergeants, officers, and civilian workers pledged to maintain their status as an advanced unit for the fourth consecutive year. In order to do this, it will be necessary, in this new period, to obtain satisfactory marks in target-shooting, individual preparedness, control and maintenance of equipment, and careful attention to personnel. A showy military parade, in which over 300 newly called-up soldiers participated, and several different defense exercises were part of the ceremony kicking off the second period of instruction that was held in Camaguey Province.

In his closing comments, the chief of the Eastern Army said that even in difficult times, the Eastern Army's contribution is guaranteed and, with achievements greater than those of the preceding period, its fighters will attain a single result: Victory.

Tactical Naval Maneuver Conducted in Eastern Waters

FL0309014193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Sep 93

[Text] Today, a naval maneuver was conducted in eastern Cuba to mark the 30th anniversary of the Cuban Revolutionary Navy [MGR]. The "30th Anniversary of the MGR" maneuver demonstrated the high degree of combat readiness of this branch of the Eastern Army. Combat boats, minesweepers, and other types of vessels conducted attack and defense operations in the midst of complex tactical operations. Officers and sailors demonstrated their ability at missile and artillery fire, mine laying and removal, special operations, and logistics.

This maneuver in Eastern Cuban waters again confirms the words of our commander in chief, who presides over the eastern naval base: Let this always be a Navy of fatherland or death, we will win!

Arrival of U.S. Neuropathy Researchers Noted

FL0309012093 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Sep 93

[Excerpts] A group of physicians from the U.S. center for the monitoring and prevention of diseases has arrived in

our country on a WHO and Pan American Health Organization [PAHO] mission with the goal of continuing research into the neuropathy epidemic. [passage omitted] [PAHO coordinator Dr. Guillermo] LLanos said that this delegation of distinguished researchers shows how U.S. scientists are opening up to Cuba. They were met at the airport by public health minister, Dr. Julio Teja, who welcomed them. [passage omitted]

Commentary Views Rising Crime

PA0209223393 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Sep 93

[Roberto Morejon Commentary]

[Text] An immediate task of the police and the population in general is to eliminate any action by criminals aimed at disrupting stability and peace. Cubans have enjoyed tranquility over the last 34 years, but that internal peace is beginning to suffer the attacks of a perceptible wave of crime, to the tune of the worsening of economic problems.

Two important publications, weeklies JUVENTUD REBELDE and TRABAJADORES, in their latest editions warned of manifestations against citizens' security. Both press sources agree that economic crises create appropriate conditions for the appearance of acts of vandalism, which, in the Cuba's case, are immediately reported by stations broadcasting in the U.S. city of Miami.

TRABAJADORES and JUVENTUD REBELDE called for an immediate end to actions that damage property and repudiated the alteration of norms in public places and the disrespect of citizens' values. These incidents are certainly not new, but they increased in the last few weeks coinciding with the increase in nightly suspensions of electricity.

For Cubans, who are used to walking on the streets without fear, the disruption of internal peace by criminals, who have previously not been exemplarily, repressed by police is inadmissible. Contrary to what is said in the West, Cuban police carry out their job in a polite manner to the point that they are involuntarily sending the wrong message to criminals. The latter, who frequently do not participate in productive activities, think they view a margin of impunity in the actions of police without abuses.

However, criminals do not have a social base capable of guaranteeing their accelerated growth; quite the contrary, there are channels to force them to answer for their actions. The weeklies' call for a quick response by the authorities will undoubtedly contribute to eliminating any manifestation of a tolerant attitude.

Cubans, grouped in the Committees for the Defense of the Revolution on every block, demanded, long ago, the general rejection of groups disturbing their peace. If any reforms to legal bodies and diligent actions by policemen are indispensable, such steps will be taken to guarantee a safe and orderly society, which always emerged with advantages before any comparison in this regard.

Commentary Notes Importance of Cattle in Havana

FL0309023693

[Editorial Report] Havana Radio Rebelde Network in Spanish at 2300 GMT on 2 September carries a four-minute report on the recovery of livestock raising in Havana City Province. Reporter Edelberto Garcia stresses the importance of cattle raising anywhere, and says that in Cuba it should be the second-highest agricultural priority, second only to sugarcane, but notes that herds have been shrinking in the past few years, partly because of a shortage of the necessary cattle feed. He notes that in Havana City Province cattle raising is agriculture's most important product, not only because of the amount of milk the province can produce, some 40 million liters, but also because the province's herds are used to produce breeding stock. Thus, notes Garcia, herd recovery in Havana Province affects all of Cuba.

Garcia says that because it is impossible to discuss the Agriculture Minstry's entire plan for herd recovery thoroughly in such a limited time, he will mention only the plan's first measure, which aims to achieve self-sufficiency for the livestock-raising units. He says that given the conditions of the special period, these units must be independent, and not have to wait on anyone or depend on anyone in order to produce.

Garcia explains that the self-sufficiency plan for the livestock-raising units entails having a stable work force that lives on site rather than in nearby communities or towns. He notes that most cattle farms today have insufficient numbers of workers and says that in order to attract workers from the city's labor reserves, there is a plan underway to build housing on site.

Garcia concludes: "This worker is helped to have for himself an auto-comsumption module that includes chickens, sheep, and 700 square meters of land to produce vegetables. This is a first initiative aimed at encouraging people to take up agricultural and animal husbandry work. Being studied, or, in certain cases, already being applied, are increases in salary that will also raise interest in this sector. We will discuss these measures aimed at further recovering our herds in future commentaries."

Commentary Views Increased Ties With Caricom, U.S. Reaction

PA0209234893 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Sep 93

["Commenting on the News" by Victor Perez Galdos Ortiz from the "Evening Information Review"]

[Text] Today, I will discuss Cuba's links with the Caribbean Community, Caricom, as it is known. Despite insistent pressures, Cuba continues its process of economic and political integration on the American continent. To the strengthening of economic links with most of the Latin American nations, we can add the fact that the English-speaking Caricom has reiterated its desire to expand, unconditionally, its cooperation with Cuba in various fields. This was stated in the communique issued at the end of the Caricom summit in early July in Nassau, Bahamas.

That position was reiterated and apparently understood by the U.S. Government during the meeting, which five prime ministers of English-speaking Caribbean countries held with President William Clinton in Washington on 30 August. The Cuban topic was one of the most important in the meeting's agenda along with the North American Free Trade Agreement.

In the forum held in Nassau, the Caricom leaders obtained a consensus to expand their ties with Cuba, taking advantage of the end of the ideological tension that characterized the already past Cold War. At the regional level, one can see a clear trend of rapprochement toward Cuba through the promotion of commercial and tourism ties and cultural, technical, and scientific exchanges. This was also evident during the Euromoney conference, which was held in Cancun and Havana in May and attended by many U.S. businessmen.

But perhaps the meeting between the highest representatives of the English-speaking Caribbean and Clinton is to date the most important step toward Cuba's integration into the continent that isolated it 30 years ago. The Caribbean countries' decision was made known to President Clinton and was announced in the news conference held after the meeting in Washington. It shows a political desire for integration, which Cuba fully agrees with and is capable of making reciprocal as it has done to date. It must be remembered that the changes being implemented by the Cuban Government include the expansion of possibilities for foreign investment. In the case of Latin American and Caribbean nations, those interested will find additional facilities.

Jamaican Prime Minister Percival Patterson was very clear in Washington when, on behalf of his colleagues, he said that Cuba is a Caribbean country and that the Caribbean Community wishes to establish discussions with it through a joint commission similar to ones that exist to address similar topics with Mexico, Venezuela, and Colombia. We believe, Patterson stressed, that the time has come for all the countries of the hemisphere to work for the normalization of relations among each other. He said this commission is not an agreement that contemplates subsidized trade with Cuba. In addition, it could lead Havana toward those programs and policies that are compatible with those of other independent countries of the continent despite the differences that exist between the Cuban political system and that of the nations of the area.

In the news conference, President Clinton showed he understood that decision, stating that Caricom does not plan to undertake subsidized trade with Cuba and as a result, the so-called Torricelli Law is not violated. In this way, President Clinton acted consistent with the views of circles of his administration that have said the Caricom statesmen would not be pressured despite the opposing opinions of some congressmen. Everything indicates that, like what happened in 1972 when the English-speaking Caribbean countries established diplomatic ties with Cuba, dealing a harsh blow to political isolation, Caricom has been the integrationist organization, which has taken decisive steps for Cuba's economic integration in the American continent.

Paramilitary Groups 'Repress' Aristide Followers

FL0309015193 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Sep 93

[Excerpts] Haitian Prime Minister Robert Malval took the oath for himself and his new cabinet at the National Palace in Port-au-Prince this evening [as heard]. [passage omitted]

At least 100 young followers of deposed President Aristide, who applauded Malval as he left the National Palace, were repressed by Cedras-backed paramilitary groups, who used sticks on the demonstrators. [passage omitted]

Anguilla

Chief Minister Announces Political Retirement

FL0309012193 Bridgetown CANA in English 2106 GMT 2 Sep 93

[By Wycliffe Richardson]

[Text] The Valley, Anguilla, Sept 2, CANA—Anguilla's chief minister, Emile Gumbs, is bowing out of active politics. Gumbs, who served as MP for Road North for the past 26 years, and spent 13 years as chief minister of this British colony, says he will not be contesting the next general election, constitutionally due early next year.

In a radio address to the nation, Gumbs, who is over 60, said, "I have always believed that it is not a good thing for anyone, man or woman, to hold power for too long. "After too many years, they begin to feel they own the place and in the end they only do a disservice to the country and, inevitably, to themselves," he said. "I do not wish to be remembered in such a way, I do not wish to ever be accused of being struck for power." Gumbs said that he has seen with alarm, though not to his surprise, politicians, who wish to hang on to power with their last breath, degrade the democratic process.

"This is a job that is not easy and all too often is enormously frustrating," he remarked. "But I have served to the best of my ability. I have done the best I could with the tools I had, but enough is enough. Anguilla is changing and I am not getting any younger. Therefore, I have decided to retire from politics. I have decided to leave the political arena and to pass the challenge on to the rest of the crew," Gumbs told Anguillians.

Gumbs said he could leave active politics next year "in confidence, knowing that despite the gales and hurricanes that the world economy is facing, that the Lady Anguilla still has her sails flying high and her ballast is trim, and I will expect the new crew to make her even better prepared for the hard races ahead." He said he had seen Anguilla go through some dark days as well as days of triumph.

"I am proud of the contribution I have made. I have served and in doing so, I have been able to help set a course for new economic development and stability. I have done so, at a time when others were dragging Anguilla into a state of political chaos and instability and in the process, freightening investment and jobs away," he remarked.

"I have been able to build consensus among other elected members, thereby forming governments which could function effectively and have lasted their full terms of office, without having to go back to the polls again and again as if elections were just another boat race."

He said he has guided the development of the island's tourist industry, which despite criticisms and some setbacks, had served the island well, while not overwhelming it with investors and visitors. Gumbs said that he had also gained the confidence of aid donors and multilateral funding agencies, which now trust Anguilla. "They know that the basic freedoms and high standards of government are respected here. They know that their dealings with us will be treated with respect and fairness as long as they do not try to abuse us," he said. Gumbs spoke ahead of his Anguilla national alliance's annual convention, which will be held from september 13 to 19.

Brian Alleyne, who has been nominated to take over the leadership of the Dominica Freedom Party from prime minister Dame Eugenia Charles, will be the guest speaker at the convention.

Bermuda

Premier To Discuss U.S. Base With NATO in Brussels

FL0209183293 Bridgetown CANA in English 1621 GMT 2 Sep 93

[Text] Hamilton, Bermuda, Sept 2, CANA—Bemuda Premier Sir John Swan will fly to Brussels next week to meet with NATO top brass and discuss the possible U.S. military withdrawal from the island.

Sir John, who will be accompanied by Sir John Sharpe, Bermuda's minister of delegated affairs, will meet with NATO General Secretary Manfred Woerner, UK Ambassador to NATO Sir John Weston, U.S. ambassdor to NATO Robert Hunter, and NATO's Atlantic naval chief.

According to Thursday's ROYAL GAZETTE newspaper, Sir John will try and determine if NATO sees any continued value in Bermuda, a British colony, and the US Navy base.

NATO is currently constructing a new runway and hangar at the base - which also doubles as Bermuda's airport - but that was budgeted and approved before the collapse of the Soviet Union.

Sir John said during a recent visit to the British Navy's Bermuda facility at HMS Malabar, that in subsequent meetings with top U.S. and British politicians, he wanted to underline Bermuda's value as a military base. "We want to make sure that we maximise whatever opportunities are available if we face cutbacks," he said.

Since June, Sir John has met with U.S. President Bill Clinton, Joint Chiefs of Staff chairman, British Prime Minister John Major and Foreign Secretary Douglas Hurd.

Haiti

New Cabinet To be Installed on 2 Sep

FL0209212893 Port-au-Prince Radio Metropole in French 1045 GMT 2 Sep 93

[Text] The countdown has begun by now for the new governmental team coming into office in a few hours. The National Palace will host the ceremony scheduled for 1430 GMT.

Prime Minister Robert Malval is due to speak on this occasion to again define the outline of the government action program. In the fewer than four hours since the installation of the new government in the National Palace, nothing official has been issued regarding what building will become the new government office. Within the entourage of Prime Minister Malval, it is still believed that Villa D'Accueil will be the office of the new government. An official decision should be made today regarding the office of government.

Meanwhile, the Electoral Council, which has its center in the Villa D'Accueil, denies that it has ever been formally contacted by the prime ministerial cabinet. In a communique issued on 1 September, members of the Electoral Council specify that on 27 August, Alice Blanchet from the prime ministerial cabinet presented herself at the Villa D'Accueil accompanied by employees of ISPAN [Institute for National Patrimony] and a justice of the peace, to assess the condition of the place. The Council office states that it indicated to Mrs. Blanchet that she would need a written statement specifying the nature of

her mission and duties relating to it. The Electoral Council office asserts that it has not received any written note from the prime ministerial cabinet nor from its liaison ministry, the Justice Ministry, advising the government's intentions to install its offices in the Villa D'Accueil.

It should be noted that since the Constitution's ratification in 1987, only the first prime minister, Martial Celestin, has not had his office in the National Palace.

Malval Addresses Nation

FL0209213093 Port-au-Prince Radio Nationale in French 1500 GMT 2 Sep 93

[Speech by Prime Minister Robert Malval at the installation of his new government cabinet in Port-au-Prince on 2 Sep cabinet—live; passages within quotes in Creole]

[Text] Ladies and gentlemen ministers, ladies and gentlemen of the diplomatic corps, gentlemen members of the Court of Cassation, gentleman Senate president, gentleman Chamber president, honorable Senate and Chamber of Deputies members, gentleman commander in Chief of the Armed Forces, gentlemen members of the Army general staff, ladies and gentlemen:

This moment that we are living together is exceptional because here we are, all of us with an obligation to resume the debate to assure the survival of our country. Ladies and gentlemen ministers, the government is invested with the mission to save our country from anarchy, from administrative disorder, and from [word indistinct] that has shaken it for so long. It is perhaps our last chance as a nation.

In 1803, our ancestors realized the sacred union needed to create a country. In 1993, we must recreate this national unity in order to rebuild the country. This reconstruction must point toward guaranteeing each Haitian the conditions of a better life, which will be the work of several governments. However, ours will have to take the first steps in this long trip toward recovery. Recovery works through democracy and democracy works through the return of President Jean-Bertrand Aristide on 30 October. I am addressing my fellow citizens in order to explain our approach. We will benefit from this task in so far as we can reconcile society with politics on the one hand and politics with morality on the other. Democracy first and development next are the price.

We have no choice but to express solidarity with one another. We are condemned to unite ourselves one with another, in the only action that today [words indistinct] sacrificing everything, our the recovery of our country, to which we must return its dignity. On behalf of solidarity, our government is calling upon all exiled citizens abroad without exception to return to the country, [applause] to all the displaced people within the country to return to their homes, [applause] while awaiting the return of President Aristide on 30 October. [applause]

"I am asking for this return in a spirit of reconciliation because we can only shake hands when there are two hands. It is in this spirit that I am asking everyone to return and put their service, their resources to the country's service. The country needs that. The country needs everyone."

The government firmly asks the Haitian Armed Forces to fulfill its mission in assuring the security of men and women, and often children, who have been forced by events to leave their homes. The country needs all of its resources. It cannot let itself waste any of them. Today, national interests dictate that we speak to one another, consult one another, converse and act together. [applause] Our foreign friends are ready to support our efforts. We will welcome this aid so the entire Haitian population can benefit from it.

I cannot end this message without speaking once again about the insecurity that is threatening the Haitian social body. We are all victims: military and civilian; lay and religious persons. We are all victims. For that reason, we are again asking that the Haitian Armed Forces, employers' associations, labor unions, professional associations, youth organizations, and people's organizations join strengths and combine voices so that together we can thwart the criminal acts and vandalism that bring grief to our families and discredit to our country. The government hopes that its call will be heard. It will do everything to fulfill this primary duty, which is to assure the security of all. Be assured that this government will not betray the democratic ideals expressed on 16 December 1990 and 20 January 1991. [applause]

"You all know there is a deadline for the return of President Jean-Bertrand Aristide, which is 30 October 1993. You all wish to express the joy you feel in emerging from this crisis and entering a state of law. We are asking that everyone does it with ordeliness. You can express the joy, you can clean up the country with orderliness. Soldiers and civilians together, you can do the work. I am especially asking that, you know that there are still some enemies of change, that you together, civilians and military, will not give them the opportunity to take advantage of us." [applause].

I hope, on behalf of the government, on behalf of President Aristide, on behalf of the entire Haitian people, that this day is a day of sincere national reconciliation. Thank you very much.

Ω Findings on NAFTA, Inflation, Cost of Living

93P20317A

[Editorial Report] The 21 July Mexico City LA JORNADA reports that an April Banamex survey in Mexico's Federal District found that support for the North American Free Trade Agreement (NAFTA) had declined 34 percent since the bank's first poll on the pact in November 1990. Banamex, cited by LA JORNADA as Mexico's leading commercial bank, found that 33 percent of the 385 respondents selected by Banamex' Department of Social Studies feel the agreement will be beneficial, 43 percent regard it as irrelevant (an 18-point increase since November 199O), and 24 percent see it as harmful (an increase of 16 points). Other NAFTA-related findings were: 40 percent believe the trade agreement will create more jobs and bring higher wages; 33 percent believe the country will become more competitive and productive while 29 percent foresee competitiveness problems; 24 percent envision NAFTA causing increased unemployment and exploitation; 20 percent expect bankruptcies; 12 percent that trade will increase; 11 percent that the pact will lead to further development and investment; 9 percent that foreign goods and services will be preferred over Mexican products; and 8 percent that the market will be flooded with low quality products.

Queried on their personal economic situation, 63 percent of respondents cited improvement over 1992, 37 percent, no change, and 10 percent felt it was worse. For 1994, 66 percent anticipate improvement, 29 percent expect no change, and 5 percent believe it will be worse.

As concerns the credibility of the biweekly or monthly inflation figures released by Mexico's central bank, the Bank of Mexico (Banxico), 84 percent believe them "not at all" or only "partially"; 9 percent said they believe the official statistics; 4 percent had no comment. However, 54 percent believe the government has been successful in controlling inflation while at the same time 47.5 percent reportedly believe the opposite. An August 1992 poll by Market and Opinion Research International had found that 45 percent of respondents regarded Banxico inflation reports as false, 18 percent viewed them as accurate, and 23 percent as neither true nor false (Mexico City ESTE PAIS December 1992).

Cost of living concerns were also addressed by a Confederation of Mexican Workers survey cited by the organization's education secretary, Juan Millan Lizarraga, in a 22 July LA JORNADA report. The survey found that Banxico's statistical "basket" of 80 products considered essential for a family cannot be purchased with the current minimum wage but, in fact, requires the equivalent of 3.2 minimum wages. Moreover, according to Millan, the basket makes no provision for rent, clothing, transportation, or fruits and vegetables. Millan also asserted that the basket should be updated to include all the products needed by a family, as well as remove some items that are not representative of family needs, such as oil, which is used as fuel in very few locations.

Ω Canada's Bombardier Wins Mexican Contract

93P20316A

[Editorial Report] The 9 July Toronto THE GLOBE AND MAIL reports that Bombardier, the Canadian transportation group, has won a $51-million contract to refurbish 234 Mexico City subway cars. This contract comes after two major setbacks for Bombardier since it bought the Concarril plant near Mexico City 15 months ago. In winning the contract, Bombardier beat Spain's Construcciones y Auxiliar de Ferrocarriles-Industrias, "its leading competitor" in the Mexican market, and underbid its closest competitor by 4.8 percent. Under the agreement, the modernized subway cars will be delivered between February 1994 and February 1995. The contract will provide one year's employment for 400 Mexicans. The paper concludes that the deal also provides a "hopeful" sign for Bombardier as it prepares to bid as part of a consortium on a contract worth between $600 million and $1 billion for construction of "a light-rapid transit line in Mexico City."

Ω Quebec-Mexican Environmental Market Access

93P20315A

[Editorial Report] According to the 19 July Montreal LE DEVOIR, 23 of the last 24 contracts awarded for the upgrading of Mexican environmental technology went to Canadian firms, the majority based in Quebec. The paper notes that "Quebec businessmen, frustrated by the decision to negotiate the NAFTA side agreements, are today blessing the U.S. hard line [on the environmental issue]; it has evoked...among Mexicans the willingness to adjust to North American environmental standards." LE DEVOIR quotes one Quebec engineer as saying the Mexican market is "important" for his company and that he is convinced that the Quebecois style—"a certain modesty combined with familiarity, the art of making a point through humor without the interlocutor losing face—pleases the Mexicans, always mistrusting of the bulldozing, self-confident style of the Americans." The newspaper concludes by noting that the Mexican market for environmental technology today exceeds $1 billion and that with respect to financing "there is always the Inter-American Development Bank."

Mexican Unskilled Labor Assumptions Questioned

93ES0952A Toronto THE GLOBE AND MAIL in English 19 Aug 93 pp A 21

[Article by Jim Smith: "The Unasked Questions About the New Trade Deal"]

[Text] NAFTA/The notion that free trade means Mexico will provide the unskilled labour while Canada and the

U.S. get the better jobs only shows how little Americans and Canadians know about contemporary Mexico. In fact, what will Canada get from the pact?

At last, fully a year after it began, the great NAFTA side-agreement poker game is over. And, according to Ottawa, Canada won a great victory.

Perhaps. Perhaps not. Granted, Canadian exporters need not fear sanctions from the United States if they violate environmental or labour laws during production. But in return Ottawa promised to pay up to $20-million any time the overnight tribunal of the North American Free Trade Agreement rules against Canadian exporters. Maybe I'm missing something, but I fail to see how Canadians at large benefit from penalties paid out of tax dollars rather than the offending companies' treasuries.

Clearly I don't have all the answers to the myriad mysteries of NAFTA. I can live with that. Less comforting is the nagging suspicion that NAFTA's movers and shakers, from the politicians and bureaucrats negotiating the pact to the business interests offering fervent support, don't have the answers either. Worse, it seems these power brokers do not even know the questions. The following are just a few of the important NAFTA-related questions that, as far as I can tell, have yet to be asked, let alone answered.

Is free trade necessarily the best economic condition? Since the days of Adam Smith (1723-1790), economic orthodoxy has decreed that barriers to trade harm all parties, most notably consumers in the protectionist country and exporters elsewhere. However, Smith's disciples fail to mention that his thesis requires full employment in all the nations concerned. Basically, unemployment anywhere voids the equation.

Are the free traders right? No one knows. Since the world has never known true free trade, no evidence exists that it must be beneficial. In other words, the advocates of free trade are actually lobbying for a massive experiment in social-economic policy. What will be the consequences if the experiment fails? Again, no one knows.

While proof one way or the other may be lacking, economic development in recent decades would seem to undermine the value of free trade. Specifically, if free trade necessarily benefits all parties, how do we explain the enormous postwar success of Japan? We can't.

What kind of jobs will be lost to Mexico under NAFTA? According to the NAFTA propaganda, Mexico will provide the unskilled labour while management, services and more highly skilled production will remain the domain of the other two partners. Such thinking only shows how little Americans and Canadians know about contemporary Mexico.

Mexico has been moving away from reliance on unskilled labour with surprising speed. Sweatshops can still be found without much effort, but factories now locate there because few other countries (and most certainly not Canada or the United States) can match Mexico's plentiful skilled, hard-working manufacturing engineers.

Proficient Mexican manufacturing engineers (many with degrees from well-known U.S. universities) earn from $5,000 to $8,000 (U.S.) a year while their counterparts north of the Rio Grande cost about 10 times as much. An excellent network of colleges throughout Mexico continues to turn out vastly more manufacturing engineers and technicians than the country's current industrial base requires. Are these the actions and conditions of a country that intends to be satisfied with unskilled assembly jobs?

Now that Mexico can provide a work force comparable to what is generally available in the other two NAFTA countries, Mexican plants have the potential to produce almost anything currently manufactured in Canadian or U.S. plants—and at much lower cost.

Taking those factors into account, how reliable are the studies that claim our job losses to Mexico will be modest and confined to unskilled labour? Having spent a decade working with Mexican engineers in Mexican plants, I wouldn't bet the farm on those studies.

As an aside, what happens to the unskilled Canadian and American workers destined to be sacrificed in the NAFTA cause? The Canadian unemployment and welfare systems are bankrupt, while the U.S. system wasn't much to begin with. For all the talk of retraining the displaced workers, the hard truths are that (a) neither government can provide adequate funding and (b) the concept of teaching middle-aged labourers to become software programmers falls considerably short of reality.

This much seems certain, then: The NAFTA planners will sacrifice the labour class in the name of short-term pain for long-term gain (a theology that undoubtedly sounds best to those who aren't feeling the pain).

If Mexico is a real threat to our jobs, why hasn't all manufacturing moved to the maquiladoras? This, the only question regularly raised by the NAFTA forces, appears rhetorical, but the rhetoric is superficial and the argument is total nonsense.

For two decades, an area extending approximately 40 km into Mexico along the entire U.S. border has been designated a special industrial-development zone known as the maquiladora. The Mexican government charges no duties on parts or materials imported by maquiladora plants (although severe restrictions are placed on industrial equipment paid for with Mexican currency).

Canadians and Americans frequently and incorrectly believe that the maquiladoras mean free trade already exists with Mexico. In fact, when the maquiladora goods are exported, the countries to which they are sent (primarily the United States) levy duties on the value added in the Mexican plants. In other words, if maquiladora exports worth $100 contain $40 worth of parts and

materials bought from the United States, import duties are levied on the $60 increase in value added by the Mexican plant.

How, what and why? Much of the NAFTA promotion focuses on the necessity of creating a huge trading bloc to neutralize the supposed power of the European Community. But the current chaos in the EC would seem a real-life cautionary example of the troubles likely to beset any attempt to meld diverse cultures into harmonious unity. And what does NAFTA offer? A lopsided menage a trois of the world's largest single consumer nation, a medium-sized country just half a step up from the Third World and a small-population country setting new records for fastest rate of deindustrialization. By whose definition does this constitute strength?

Consider just a few of the issues that arise from this merger of unequals. Is it realistic to expect a significant demand from impoverished Mexico consumers for imports? Without massive foreign handouts, can the Mexican government afford to buy public-sector goods and services from its new trading partners? Indeed, can Mexico afford either consumer or public-sector imports without the sort of massive lending that almost destroyed Canadian and U.S. banks when the Mexican oil bubble burst a decade ago? Or will the funds come in the form of loans or grants from the financially troubled U.S. and Canadian governments? And, if so, how will U.S. and Canadian taxpayers feel about paying for Mexico to take their jobs?

The United States, which lives in fear of both a Marxist revolution in Mexico and continued unchecked waves of illegal immigrants from the south, wants NAFTA for social reasons. Whether the U.S. assumptions are valid can be challenged, but at least Washington's cost-benefit equation for NAFTA contains some possible benefits. Where are the benefits for Canada that justify such a high-risk economic adventure? Or, to put it simply, is this any way to run an economy?

Note on author:

Jim Smith, a former resident of Toronto, lives in St. Petersburg, Fla., where he is chief executive officer of The Phoenix Group, Inc., an international manufacturing-process management company. Phoenix's clients have included many Mexican factories, including several he considers to rank among the world's best. He has a graduate degree in economics, but doesn't believe that should be held against him.

Costa Rica

Government Submits 1994 Budget to Assembly

PA0209225393 San Jose Radio Reloj in Spanish 0100 GMT 2 Sep 93

[From the "Radio Reloj Newscast"; all figures as heard]

[Text] The ordinary budget of the Republic totalling 214 billion colones has been presented. This budget is financed by current revenues estimated at 178 billion colones. Most of the government's current revenues come from the implementation of tax measures.

The budget establishes the creation of 1,200 positions at the Education Ministry. On the afternoon of 1 September, Finance Minister Carlos Munoz delivered the national budget totalling 214 billion colones to the Legislative Assembly president. This budget is financed by current revenues totalling 178 billion colons, which have been certified by the Comptroller General's Office, in addition to internal debt bonds totalling 34.5260 billion colones and 439 billion colones [figure as heard] worth of bonds of the government's contribution to political parties campaign funds.

It should be pointed out that the current revenues estimated for 1994 are higher than those for 1993, as a result of economic growth and one of the most efficient tax collection efforts ever achieved. Finance Minister Carlos Munoz stated that most of the government's current revenues will come from tax collections. These revenues represent 94.5 percent of the total. An important part of the revenues is the sales tax estimated at 34 percent; taxes on consumption 19 percent; and import duties and income taxes at 19 percent.

During the current fiscal period, a 1-percent reduction will be made to the sales tax, resulting in a 7 billion colones collection reduction. According to the ordinary budget for 1994, 52 billion colones will be earmarked to pay the principal and interest on the domestic and foreign public debt. Of this amount, 32 billion will be used to cover the domestic public debt, broken down as 24 billion for interest payments and 7.50 billion for principal amortization. Twenty billion colones will be earmarked to pay the foreign public debt; of this amount, 8 billion will be used for interest payments and 11 billion for principal amortization.

The draft budget bill for 1994 establishes the creation of 1,200 positions. The ordinary budget of the Republic, which was presented today to the legislature, establishes the creation of 1,200 new positions to cover the future increase in student enrollment at schools run by the Education Ministry. In addition, 143 positions are opened at the General Customs Directorate to carry out the general reorganization of the customs system. Moreover, 109 temporary positions are created to carry out the national population census and 92 positions to provide security in the Valle de la Estrella region.

El Salvador

Cristiani Inaugurates Military Operation Amid Jeers

PA0309052293 San Salvador Canal Doce Television in Spanish 0300 GMT 3 Sep 93

[Report by Ervin Ortiz in La Paz Department; from the "Up to Date Newscast"]

[Text] Today, President Alfredo Cristiani officially inaugurated Operation Fuertes Caminos in Zacatecoluca, with the presence of a group of demonstrators, who ridiculed the presence of U.S. military forces in El Salvador.

The official delegation arrived at the central park cheered by the people who will enjoy the benefits of Operation Fuertes Caminos. Defense Minister Colonel Humberto Corado Figueroa said the civic-military exercise opens the doors to improving the lifestyle of people living in the zone.

[Begin Corado recording] We want to express our thanks, on behalf of the Armed Forces, for the aid, in personnel, equipment, and financing, provided by the U.S. Government and Army through the Fuertes Caminos exercise. [end recording]

The plan will favor approximately 60,000 persons in rural areas by carrying out 20 humanitarian projects, including the construction of eight wells, 17 schools, two community centers, and one clinic.

[Begin unidentified U.S. speaker recording, in English] Salvadoran people, let me say it in English, Mr. President, we will always respect your sovereignty and your laws. [background shouting: "Go to hell, gringos! Go to hell, gringos!"] [end recording]

These actions provoked the host's anger. President Cristiani reacted with displeasure and, after apologizing to his guests, he disowned the instigators.

[Begin Cristiani recording] We live in democracy in El Salvador so we.... [pauses] have to.... [pauses] allow, and put up with, this impudence. [shouting in background] We feel quite honored to preside over the inauguration of Operation Fuertes Caminos '93, a civic-military exercise that will be carried out with the participation of a contingent of U.S. Armed Forces engineers in collaboration with our Armed Forces. [end recording]

The program was launched despite the criticism from certain opposition groups, which consider the posting of U.S. military troops an act that violates the Constitution. The Supreme Court of Justice has yet to issue a statement but, given the latest incidents, it can hardly accept the unconstitutionality writ filed in our country last week by a prominent lawyer.

Organizations Express Opposition

PA0309041693 San Salvador Radio Cadena YSU in Spanish 1800 GMT 2 Sep 93

[Report by Balmore Parada; from the "YSU Radio News" newscast]

[Text] Operation Fuertes Caminos '93 was inaugurated today amid strong protests by popular organizations. The operation will be carried out by U.S. soldiers. Jose Santana Martinez of the Coordinating Board of Social Organizations, after condemning the presence of 360 U.S. soldiers, warned that their stay would increase drug trafficking in El Salvador.

[Begin Santana recording] This is a military invasion of our country. The Constitution is clear. The idea is to scare the population with the U.S. soldiers. We condemn this attitude and we emphatically protest this and ask the U.S. Government, the international community, we ask Cristiani to be patriotic, to please revoke this decision to allow these people in the country and send the Americans home. Why? First of all, we know that the American presence brings us AIDS, drug addiction, drug trafficking, and card games. You saw a few days ago a report in LA PRENSA GRAFICA and the soldiers are shown playing cards. All they bring to El Salvador are vices. [end recording]

As far as the social organizations are concerned, the U.S. presence is a violation of the Constitution's Article 131. Meanwhile, Dr. Armando Calderon Sol, Nationalist Republican Alliance party presidential candidate, questioned the attitude of the social organizations.

[Begin Calderon recording] It is regrettable. The truth is that these sort of expressions are regrettable, vulgar, and dirty. These types of actions do us no good and show nothing except a total opposition that makes no sense or reason. I regret this. I think one can oppose something, one can dissent; this is part of the democratic process, to dissent and think differently. But this has to be done with mutual respect. I believe that to carry out a series of acts with the types of words used in this demonstration is not good and we should start to overcome this confrontation. I hope that this incident will be remembered as a bad example and that it not be repeated. [end recording]

The civic-military Operation Fuertes Caminos, inaugurated in Zacatecoluca, consist of 16 projects, which includes building (?two) schools, drilling six water wells, and the construction of two community homes distributed in La Paz and Cuscatlan Departments.

Present at the inauguration were President Alfredo Cristiani, U.S. Charge D'affaires Peter Romero, U.S. Southern Command Commander General George Joulwan, and other authorities.

Cristiani Reports Managua Arsenal Links ETA, FPL

PA0209140293 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 2 Sep 93

[Text] The preliminary report on various investigations by several countries into the explosion of a weapons arsenal in the center of Managua has established links between the separatist ETA [Basque Fatherland and Liberty] and the Peoples Liberation Forces [FPL]. According to President Alfredo Cristiani, the preliminary report, which has been reviewed and signed by the Governments of Venezuela, Nicaragua, and Spain, established that the aforementioned organizations had links to the arms cache that exploded in Santa Rosa, Nicaragua. Cristiani stressed that the preliminary report on the investigations, which will be signed by the Salvadoran Government soon, states the site was not just a warehouse but was connected to terrorist activities.

National Conciliation's Bustillo Quits Party

PA0209153393 San Salvador Canal Doce Television in Spanish 1800 GMT 1 Sep 93

[Text] General Juan Rafael Bustillo, presidential candidate for the National Conciliation Party, PCN, unexpectedly announced his resignation from that party due to problems with the delineation of authority. After retiring from the Air Force, Gen Bustillo entered the country's political life as a PCN presidential candidate for the 1994 elections. But his integration into that party was not entirely satisfactory because, according to him, he was not given the authority a candidate should have. He has therefore resigned his candidacy and membership.

[Begin Bustillo recording] I must inform the Salvadoran people that I am leaving the PCN because I disagree with some internal party matters, particularly concerning who should be in charge now that we are beginning a political campaign. [end recording]

Bustillo said there is a circle of politicians within the PCN which excludes other professionals, who might assume the party's leadership. He noted that Gen. Adolfo Blandon is also leaving the party for the same reason. He added that he will not join any other party.

Guatemala

Army Reports Attacks, Crude Oil Spills in Peten

PA0309041793 Panama City ACAN in Spanish 1703 GMT 2 Sep 93

[Text] Guatemala City, 2 Sep (ACAN-EFE)—Military sources reported today that Guatemalan guerrilla groups have spilled more than 100,000 gallons of oil in Peten Department's jungle areas this year.

The Information and Press Department of the Army said a rebel commando sabotaged 12 fuel trucks on the

highway to La Libertad, Peten Department, on Tuesday and spilled 36,000 gallons of crude oil. According to the records, guerrilla forces also spilled 21,600 gallons of oil at Peten Department in January, and an additional 45,000 gallons in April. The Guatemalan National Revolutionary Unity (URNG) also sabotaged dozens of trucks and spilled 61,200 gallons of crude oil in 1992.

The Army accused the URNG of destroying the habitat of endangered species, and causing more damage to Peten's already ravaged jungle, with its actions.

Honduras

President on Questioned Copyright Law Articles

PA0209222793 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 2 Sep 93

[From the "This Very Day" newscast]

[Text] President Rafael Leonardo Callejas referred to the controversial copyright law this afternoon. Sammy Berlios has his remarks.

[Begin recording] [Berlios] Regarding two articles that the deputies have added to the copyright law and which journalists view as a clear attack on freedom of speech, President Rafael Leonardo Callejas said he opposes any restriction on this freedom.

[Callejas] I will have to speak with the Congress president to find out if these articles really have the implications that the media is indicating. In principle, I believe freedom of speech must not be restricted in any way. To include censorship in a law would be a grave mistake in a democracy.

[Berlios] The president does not believe the inclusion of the articles is an act of revenge by the deputies against the media. The media exerted pressure so the law would be approved with the originally established penalties, harming the interests of several deputies, who are owners of cable companies.

[Unidentified reporter] The media pressured Congress to approve the law with the originally established penalties. Do you think the two articles might be an act of revenge by the deputies against the media?

[Callejas] No, absolutely not. There is no reason to think so. Some people, in good faith, consider that some information, especially in the television media, goes beyond the norm of conduct of Honduran society and that someone must be responsible for restricting or, in this case, censoring it. In my opinion, an individual makes his own decisions. It is not the state that must restrict an individual. Therefore, under that principle, I cannot support, under any viewpoint, any action that results in the censorship of the transmission of any type of program.

[Berlios] The president said he was a liberal on this subject, adding that the family and not the state is the one that should decide what its children should or should not see. He said he does not believe he will have to veto the law because he thinks Congress will correct any misunderstanding derived from the ambiguous wording of the articles. [end recording]

Nicaragua

President Chamorro Army Day Speech

PA0309031393 Managua Radio Nicaragua Network in Spanish 0100 GMT 3 Sep 93

[Speech by President Violeta Barrios de Chamorro on the occasion of Army Day at the Olof Palme Convention Center in Managua on 2 September—recorded]

[Text] Upon commemorating another Army Day anniversary in our country today, I want all of us, civilian and military, to look to the future of Nicaragua, reflecting on the role that the Army must assume in this first democratic experience that history offers us. Let us reflect and render homage to all the officers and soldiers, who sacrificed themselves to fulfill their duty throughout the last year. I request a minute of silence for them. [one minute of silence]

Fellow citizens, when I assumed the Armed Forces' supreme leadership three years ago, I did it determined to offer the Army the opportunity to achieve its professionalization. I have been doing it with the (?conviction) that the military in a democratic society will find better opportunities to develop their profession and achieve greater stability for their families.

I want to turn the soldier into a professional like a lawyer, doctor, or engineer. In other words, they must be true professionals, who owe their profession to their own efforts as students and daily work. A professional soldier is the one who serves the people, respecting their will. The soldier is duty bound to enforce the law and sponsor an atmosphere where rights are respected and where dignity is allowed to work, including their own.

A professional Army must strive to respect the Constitution, the laws, and the will of the majority because that is the road to democracy and the last resource for order and citizens' security. The Army should not care if one party or another rules the country; or if the president is a Christian Democrat, a Liberal, from the center, the right, or the left, only that he is honestly elected by the people according to the law.

Soldiers, exercising their profession, must be a balancing force and support the Constitution. They must not participate in political struggles or activities. If they take sides in politics they become an armed political party; provoke a rash arms buildup in the other political parties; and, consequently, provoke a civil war.

When we talk about the Army's professionalization, we also talk about granting social benefits upon retirement. Receive these benefits just as any other professional in our country. The democratic state in which we live and which we are currently building, and the efforts to achieve a definite peace, certainly do not require tanks, airplanes, cannons, or costly weapons. However, it is also true we need a professional Army that guarantees peace; helps the people in times of catastrophe; protects our territory, seas, and natural resources; and supports the police in their task of guaranteeing public order when the need arises.

This has been my position since 25 April 1990. We have taken important steps in this regard in Nicaragua. For the past three years, the Nicaraguan Army has not only been reduced; it has also entered a process of effective professionalization that we must recognize and continue to improve. Consequently, I have asked the U.S. National Democratic Institute to sponsor a civic education process to achieve, on the one hand, the people's respect for the Army; and, on the other hand, the Army's respect for the people's decisions and their political and legal statements; and to bring the military closer to civilians in government posts or with legislative duties.

My responsibility as president of the Republic indicates all Nicaraguans must assume the challenge of supporting efforts exerted for the creation of a true national Army, respected by all and at the service of all Nicaraguans. The Army's professionalization also requires technical and military cooperation and aid from friendly countries and armies, to change an army created for war into an army for peace.

As president of the Republic I wish to sincerely acknowledge the Special Disarmament Brigade for its work for peace and coexistence between Nicaraguan brothers who became estranged by a war.

Regarding justice and impunity, military authorities know better than civilians the abuse perpetrated by members of the Army, who should be punished in the spirit of improving and professionalizing the institution. Sometimes it happens that, due to an erroneous esprit de corps, the military hide their mistakes. This naturally causes resentment in society and worsens relations between the Army and the people [five-second break in reception] strictly repress their own members' abuse, we very seldom hear voices of praise for their good actions.

Therefore, it is necessary that the Army [nine-second break in reception] behalf of Nicaragua and its military reorganization to the National Assembly, clearly stating this necessary subordination of the Army to civilian power. It also establishes the maximum time an officer may occupy a specific post in the corps. It states the time in duty for the Army commander in chief should not exceed five years.

Given the great importance of this law, the bill I will send to the National Assembly must be fully supported by the Army and the main political groups in the country, which barely two days ago agreed to begin an intensive dialogue and negotiation process with my government on Monday.

The draft bill that I received today from the Armed Forces will be of great use in preparing the final proposal, which I will be forwarding to the National Assembly. For this, I thank you. You can rest assured that I will take your suggestions into consideration. Direct subordination of the Information for Defense Directorate to the office of president of the Republic was mandated in the decree that I signed today and consequently ordered. This represents another important step in the right direction. For the past 14 months we have been working on this idea with the support of the Spanish Government. The EPS [Sandinist People's Army] has its military intelligence and counterintelligence services. However, one of the president obligations includes the defense of constitutional order, defense of the country's sovereignty, and the nation's independence.

As a result of this presidential attribute, the role of the institutionalized activities to be carried out by this intelligence service is easily understandable. This includes providing accurate and timely information on situations that will demand decisions and political performance, primarily those related to national security. For this reason I plan to organize this directorate under the authority of a competent civilian director. This civilian will be proficient enough to form a small nucleus of professionals, who will be able to integrate [words indistinct] and all members of the military, who constitute the EPS. Thus, this combination of civilians and military will unite us more, draw us closer together, and will commit us to work together toward a safe and stable Nicaragua, which we must all work to achieve.

In this respect, we must endeavor to complete the legislation on auditing and penal military procedures during the current year. This legislation must clearly state that the commission of a punishable crime involving civilian victims will fall under the jurisdiction of ordinary courts. Likewise, we must also complete the draft bill involving military social security, which will guarantee social security benefits as well as retirement benefits for members of the military.

With these three bills we will be completing the judicial platforms that will transform the dreams of many generations of Nicaraguans into reality, including those Nicaraguans who fought and died for the cause of freedom and democracy. It is only in this manner, through a small, professional, and national Armed Forces, duly backed by clear and specific laws, that we will be able to speak of a free and democratic Nicaragua. In this respect, in this search for a great national agreement, I call on all Nicaraguans to unite to eliminate violence from our country, to end the rearmed groups phenomenon, and continue gathering all weapons still in the hands of civilians. This will lead us to close that chapter of our country's history, which I opened during my inaugural address when I stated: While the agreed

resistance forces' demobilization, the youngsters' demobilization to the military service, and the recovery of those weapons still in the hands of civilians takes place, I have ordered EPS General Humberto Ortega Saavedra to continue in his current position in the Armed Forces. At the time, I was harshly criticized by some sectors because of that decision. Others considered it wise and necessary. Today, as I am about to begin the second half of my presidential term, we must conclude this pacification task.

I intend to continue to institutionalize the Army, as should be done in every democratic society, and appoint a new Army commander next year. This is the army of all Nicaraguans and the country's only military institution. No other organization, save for the National Police, when circumstances warrant it, is authorized to carry military arms throughout the country. So all of Nicaragua can feel this is the Army of all Nicaraguans, I will introduce a constitutional amendment proposal to replace the name of the Sandinist People's Army with another, which could represent its national character more fully.

Gen. Cesar Augusto Sandino is one of the homeland's greatest heroes in modern times. His memory must be kept with love in the hearts of all Nicaraguans, as my husband, Pedro Joaquin Chamorro Cardenal, may he rest in peace, taught me. Sandino represents the rebellious nature of the Nicaraguan people and his glorious stand in the Segovia mountains will always be an example of national dignity and struggle for our sovereignty. The value of his stand is fully Nicaraguan. Currently, however, one political party bears his name and we should not mistake the army of all Nicaraguans for a political party. I know that you, distinguished officers, will understand this.

Let us commemorate this Army Day, this 2 September, renewing in ourselves this patriotic pledge for a free, sovereign, independent, and democratic Nicaragua. By acknowledging the role played by the Army High Command, we are laying the foundations for what will be a national army, for the first time in Nicaragua. Thanks to everyone, dear friends.

More Chamorro on Army Reform

PA0209185593 Managua Radio Nicaragua Network in Spanish 1738 GMT 2 Sep 93

[Report on speech by President Violeta Barrios de Chamorro during a ceremomy marking the 14th anniversary of the Sandinist People's Army in Managua on 2 September]

[Text] During the ceremony marking the 14th anniversary of the Sandinist People's Army [EPS], President Violeta Barrios de Chamorro discussed very important aspects of the Army, stating tha her biggest wish is to turn the man in uniform into a true professional, who supports the Constitution without taking sides.

[Begin Chamorro recording] Today, as we mark another anniversary of our country's Army, I want everyone, civilians and military, to look toward the future of Nicaragua, pondering the role the Army must play in this first experience with democracy given to us by history. Let us ponder, paying tribute to all officers and soldiers, who gave their lives in the fulfillment of their duty this past year. I ask for a minute of silence. Thank you.

[Nine-second break in reception] ...the armed forces. (?I did) it with the determination of giving the Army the opportunity to professionalize itself. I have been doing that through meetings, as one does in a democratic society. At these meetings the military can find greater opportunties to develop their profession, as well as stability for their families. I wish to turn the military into professionals, just as a lawyer, a doctor, or an engineer is, in sum, true professionals who owe their profession to their own effort as students and their daily work.

A professional soldier serves the people, respecting the will of the people. He has the duty to abide by the law and promote a climate where respect for the law exists and work, even his own, is dignified. A professional army must be concerned about respecting the Constitution, the laws, and the will of the majority, because that is the path of democracy and the last hope for order and the security of citizens. The Army must not care if this or another party rules, if the president is green, red, centrist, leftist, or rightist, but that he is elected by the people honestly and in accordance with the law.

The military, in the exercise of its duties, must be a force of balance that supports the Constitution. They must not, however, take sides in struggles or political activities. If they take sides in politics they become an armed political party. As president, I would like to sincerely recognize the Special Disarmament Brigade for its work for the sake of peace and coexistence among Nicaraguan brothers, who grew apart because of the war. [end recording]

President Chamorro also commented on a bill she will be sending to the Nicaraguan parliament:

[Begin Chamorro recording] It should clearly establish the need to subordinate the Army to civilian rule. It should also establish the maximum number of years that an officer may serve in an specific post within the institution. It should state that the term of the Army commander in chief must not exceed five years.

Given its great importance, the bill I will send to the National Assembly must enjoy the full support of the Army and the country's main political forces, which only two days ago agreed to start an intense process of dialogue and negotiation with my government next Monday.

The bill, the Army presented to me today, will be very useful in drafting the final bill, which I will sent to the National Assembly, and thus I thank you for it. Rest assured I will give it great attention.

The direct subordination of Information Directorate for Defense to the president of the Republic, that I made official with the decree I signed today, constitutes another important step in the right direction. We have worked on this for the past 14 months with the support of the Spanish Government.

Today, as I start the second half of my presidential term, we pledge to complete this peace effort. I wish to continue the institutionalization of the Army as is expected of all democratic societies. I will appoint a new Army commander in chief next year.

This is the Army of all Nicaraguans. This is the sole military institution in our country, there is no other, except for the National Police, when warranted, authorized to bear weapons of war in the country. To ensure that all Nicaragua feels this is the army of all Nicaraguans, I will introduce a constitutional amendment to rename the EPS and give it a name that will reflect its national character more accurately. [end recording]

President Sets Gen Ortega Departure for 1994

PA0209172493 Panama City ACAN in Spanish 1621 GMT 2 Sep 93

[Text] Managua, 2 Sep (ACAN-EFE)—Nicaraguan President Violeta Chamorro announced today, Thursday, that next year General Humberto Ortega will leave his post of chief of the Sandinist People's Army (EPS). In a speech commemorating the 14th anniversary of the founding of the Armed Forces, Chamorro announced that next year, no specific date, she will appoint a new commander in chief of the army.

Gen. Ortega, brother of Daniel Ortega, the former Nicaraguan president and top Sandinist leader, has been Armed Forces chief since September 1979.

The news that the Sandinist general will cease being army chief next year was one of the main announcements made by Chamorro during the Armed Forces celebration.

The departure of Gen. Ortega from the post of Army chief is one of the demands presented by the National Opposition Union (UNO) and sectors of the U.S. Congress in order to move ahead in solving the serious problems of this Central American nation.

Chamorro also signed a presidential decree whereby the Information Directorate for Defense [DID], a type of secret police, will now be under her office, something which complies with an U.S. precondition for continued aid to the Nicaraguan Governmenmt.

In addition, the president announced that Gen. Ortega presented her with a draft reform of the Army's Basic Law, which she will begin to study in order to send it to parliament for its discussion and approval shortly.

Chamorro also announced that she will change the name of the Army, that is currently known as the EPS according to the constitution, to a more appropriate name. She also said that high-ranking Army officers will hold their posts no longer than five years and that this will be included in the law she will send to parliament.

The DID was created in April 1990, after the General Directorate of State Security (DGSE), which was under then Interior Minister Tomas Borge during the Sandinist regime, was dismantled.

EPS Commanders Refute Chamorro Remarks

PA0209223293 Managua Radio Corporacion in Spanish 2205 GMT 2 Sep 93

[Text] Last minute report. We are now dealing not with General Humberto Ortega Saavedra's quarrel, incident, disobedience, and challenge but with a full military rebellion. At this precise time, 1705, the Sandinist High Military Command is making a statement refuting the two statements that President Violeta Chamorro made today.

We repeat: Last minute report. We are not only dealing with the bitter incident that took place at noon today at the Olof Palme Convention Center between President Chamorro and Gen. Ortega. It is something more serious. The Sandinist High Military Command, the EPS [Sandinist People's Army] commanders, have made an official statement, which they are currently announcing at the EPS Military Academy, refuting Chamorro's remarks. The high-ranking officers invited local and international journalists to the Hermanos Tejada Auditorium to announce their statement.

The military say that President Chamorro is not right. Top Sandinist military officers say that President Chamorro cannot dismiss the Army chief. Only the military council can submit candidates for a new Army chief. The military High Command is thereby challenging civilian power. The military can afford the luxury of contradicting President Chamorro. The military high command can afford the luxury in Nicaragua of contradicting the president of the Republic.

In other countries, for lesser things, high military officers have been immediately dismissed. There are examples of situations of this kind in the political and military history of the United States.

The diplomatic corps is alarmed not only for what happened at the Olof Palme Convention Center but for the statements being made at this time by the high Sandinist military command, which is publicly challenging President Chamorro.

President Violeta Chamorro has made her first announcement regarding a future dismissal of Gen. Humberto Ortega. The various national sectors are demanding the immediate dismissal of Gen. Ortega. [five-second break in reception] They even believe the announcement of President Violeta Chamorro is to calm demands of the various sectors of the country. They

believe she was trying to save her ally, Gen. Humberto Ortega, but the military officer could not even tolerate that.

We want to announce to the listeners of "Five O'Clock Sharp" newscast of Radio Corporacion that we are going to provide them with ample information about this matter, both concerning the squabble between Gen. Ortega and President Chamorro as well as the sequels of the incident.

We will present you shortly with an exclusive report published by LA PRENSA. LA PRENSA stopped the presses, which was almost ready at noon, to release this news. LA PRENSA obtained reliable reports on the incidents between brothers Daniel and Humberto Ortega and President Violeta Chamorro.

We are also going to provide you with last-minute reports from the Presidency where Carlos Torres, the chief editor of "Five O'Clock Sharp" newscast, is. We are also going to be in contact with Carlos Maturana, who is now at the Tejada Brothers Auditorium of the Sandinist People's Army. Remain alert, because we are going to present this news shortly. [five-second break in reception]... on the significance of this incident.

EPS Military Council Communique

PA0309000193 Managua Radio Corporacion in Spanish 2239 GMT 2 Sep 93

[Report by Carlos Maturana at the Tejada Brothers Auditorium in Managua—live]

[Excerpts] The Sandinist People's Army [EPS] Military Council news conference has just concluded. The EPS 30-member Military Council entered the military complex's conference hall shortly before 1700 [20-second break in reception] incident between President Violeta Barrios de Chamorro and Army Commander General Humberto Ortega Saavedra and his brother, former President Daniel Ortega Saavedra.

Uncertainty prevailed among the journalists called to the EPS Military Council's news conference because it might involve an action not in accordance with the Constitution or what was decided by the president of the Republic. The Military Council's communique clearly stated that it had held an emergency meeting immediately after the [Army Day] ceremony at the Olof Palme Convention Center.

The Military Council stated that according to Article 30, Paragraph A, of the current military organization law, the EPS Military Council is the one that proposes the appointment of a new commander in chief. [passage omitted]

The communique also reads that the EPS confirms it is willing to have the Army's name changed so that it can better reflect its national character. The Military Council said it categorically rejects the statements issued this morning about the military corps members' alleged impunity. They referred to President Chamorro's speech at the Olof Palme Convention Center.

In the end, the communique reads that the Military Council fully supports the constructive message issued by Gen. Humberto Ortega, which clearly contributes to the necessary process for strengthening the Armed Forces' relations and harmonious [word indistinct] to the civilian power, as well as the atmosphere of deliberation and seriousness that the country's critical situation demands from all the Nicaraguans.

The immediate results of this is that the Presidency of the Republic summoned its cabinet, canceled the meeting it had at the time with the National Opposition Union members, and proceeded to hold an emergency meeting, which is underway on the third floor of the Presidency.

Coup Not a Possibility

PA0209233693 Managua Radio Corporacion in Spanish 2253 GMT 02 Sep 93

[Report by Carlos Maturana from the Presidential Palace in Managua—live]

[Text] At approximately 1700 today, the Sandinist People's Army [EPS] Military Council met at the David y Rene Tejada Peralta Complex. Some people are speculating there has been a military coup. Others believe there has been a very serious warning because, according to what EPS Major General Joaquin Cuadra has said, President Violeta Chamorro caught the military by surprise because they had been talking forthrightly with her and this [the announcement that General Humberto Ortega would be dismissed in 1994] had not been in the manuscript, metaphorically speaking.

A reporter asked Maj. Gen. Joaquin Cuadra if this means there has been a coup. Let's hear what he had to say:

[Begin Cuadra recording] There is no possibility of a coup d'etat occurring here. This has been something completely unexpected. I think that the coup attempt was against the [EPS] commander in chief. [end recording]

President Responds to ESP Comments

PA0309053593 Managua Radio Nicaragua Network in Spanish 0500 GMT 3 Sep 93

["Message to the nation" by President Violeta Barrios de Chamorro at the Presidency in Managua—live]

[Text] Nicaraguan brothers: On the morning of 2 September, at the event that was held to commemorate the Army's anniversary, in front of representatives of the branches of government, members of the cabinet, members of the diplomatic corps, and representatives of the country's political, social, and religious forces as well as

the Military Council, officers, NCO's, and soldiers, I clearly defined the role the Army must play in Nicaragua's democratic future.

With the same clarity I informed the country of the measures, that as president of the Republic, I believe are necessary to continue making progress in the organization of a small, professional, and national Army, as Sandino dreamed.

Likewise, I said I would carry out all of these actions in strict compliance with the laws, the existing state of law, and the powers granted to me by the Constitution of the Republic, just as I have been doing since 25 April 1990.

The decisions I announced later led Daniel Ortega, the secretary general of the Sandinist National Liberation Front, to insult me and to the untimely objection raised by the Army chief, which I am sure is condemned by the people of Nicaragua, who are tired of reproaches and slander.

My struggle for Nicaraguan democracy and liberty does not permit me to be intimidated by any aggression and less so when I have a mission, a responsibility, and a big commitment with the Nicaraguan people. This commitment includes the institutionalization of the Army, as I told Gen. Humberto Ortega during my most recent private meeting with him on 30 August.

In spite of the constant strain and great difficulties I have endured during my three years in government, I have learned how to not put my personal feelings above national interests or above state decisions, which I must make for the well-being of Nicaragua and national stability.

I want to take advantage of this opportunity to urge all rearmed groups to surrender their weapons to end once and for all violence and hatred in Nicaragua.

This evening I also want to reaffirm what I said this morning. I am sure that working in the framework of the law, with trust in God, with prudence and the strength that a president must have, we will continue to firmly advance toward the peaceful, democratic, and progressive Nicaragua we all want, the Nicaragua that all of us, without exception, are obligated to build to ensure the present and to build a future for our children.

Thank you. Good night.

Army Chief on Army Bill, EPS Name Change

PA0209190793 Managua Radio Nicaragua Network in Spanish 1721 GMT 2 Sep 93

[Text] The Sandinist People's Army [EPS] celebrated its 14th anniversary today. The event at the Olof Palme Convention Center was attended by President Violeta Barrios de Chamorro. During the celebration, General Humberto Ortega, chief of the EPS, presented to President Chamorro the bill on the basic military law.

[Begin Ortega recording] On this day of the Army, precisely as an expression of the maturity of the gradual process of institutionalization of the country and specifically of the strengthening of the harmonious relationship between the Army and the civilian power, within the framework of the Constitution and the law, I am presenting to Nicaraguan President Violeta Barrios de Chamorro the bill with reforms and additions to Law No. 75, better known as the Law on the Military Organization of the EPS. Once it is approved by the president of the Republic and by the National Assembly, a step forward will have been taken in the strengthening of this permament pillar of the Nicaraguan state: the EPS.

In addition to the foundations of principles and doctrines, this law contains, among others, the following aspects: composition of the Army, chain of command [jerarquizacion] and equivalences [equivalencias], military personnel and reserves, military promotion lists, types of troops, seniority and subordination, military ranks, military posts, retirement of military personnel, active military service, promotions, time in [four-second break in reception] pay and pensions.

As evidence of this process of harmonious and constructive institutionalization, today we are placing the Information Directorate for Defense under Nicaraguan President Violeta Barrios de Chamorro as supreme commander of the defense and security forces and in compliance with the presidential decree that she will make known today.

I want to state that in order to represent the Army's national and nonpartisan nature more clearly, we agree that the current name of the nation's army, the EPS, can be changed. Everything will depend on constructive reforms of the current constitution, which are achieved in the national dialogue, because the name of the army has a constitutional character. In order to successfully conclude the current phase of basic restructuring and juridical strengthening of the nation's Army in 1996, it is essential that with the effort of all Nicaraguans, the current process of pacification be concluded to permit the achievement of total peace. [end recording]

Army Chief Says Retirement Not Final

PA0209190293 Paris AFP in Spanish 1828 GMT 2 Sep 93

[Text] Managua, 2 Sep (AFP)—Nicaraguan Army Chief Humberto Ortega has said that his retirement next year, which was announced Thursday by President Violeta de Chamorro, is only a "wish" of the president and not a "final" decision. "I will not leave because of foreign pressure," stated the Sandinist military chief, whose resignation has been demanded by Chamorro through internal opposition and sectors of the U.S. Congress and Senate.

Ortega commented that his resignation is only a wish of the president because "we do not know what is going to

be sent to the National Assembly," in reference to a draft bill that the executive branch must sent to the parliament to regulate Army activities.

Chamorro, Ortega Discussed Retirement

PA0309005993 Managua Radio Nicaragua Network in Spanish 0003 GMT 3 Sep 93

[Text] In view of the situation experienced by the country on 2 September, and in view of the announcement made by the Army's Military Council, we want to inform the public that according to reliable sources from the presidency, President Violeta Barrios de Chamorro, as supreme chief of the Armed Forces and defense minister, met with General Humberto Ortega twice in August to discuss with him, as Army chief, his withdrawal from the armed institution. On 12 and 13 August, President Chamorro met alone with General Ortega to discuss with him the subordination of the Information Directorate for Defense, DID, to the presidency of the Republic, the appointment of a new civilian Army chief, as well as the retirement of General Humberto Ortega from the Armed Forces.

The communique issued by the Army's Military Council totally contradicts what President Violeta Chamorro and General Ortega personally agreed to on 12 and 30 August 1993 [date as heard], when they discussed his retirement from the Army.

The situation is, therefore, contradictory because President Violeta Barrios de Chamorro is the supreme chief of the Armed Forces as well as defense minister. Talks had already been held regarding the DID, the new civilian Army chief, and the retirement of General Humberto Ortega himself.

Cabinet Protests D. Ortega's 'Lack of Respect'

PA0309010093 Managua Radio Nicaragua Network in Spanish 2350 GMT 2 Sep 93

[Statement read by Danilo Lacayo, director of information and press at the Presidency in Managua—live]

[Text] The Cabinet is meeting right now with President Chamorro. We would like to make known the Cabinet's position on this morning's incident at Oloff Palme Convention Center:

Managua, 2 September

Members of the Sandinist National Liberation Front [FSLN] Assembly, Managua:

We want to strongly protest the unacceptable lack of respect shown by FSLN Secretary General Commander Daniel Ortega Saavedra to President Violeta Barrios Chamorro at the Oloff Palme Convention Center at the conclusion of commemoration ceremonies at the Army Field today.

We believe that situations like the one produced by your secretary general must not occur in a democracy, in the kind of democracy the Nicaraguan people want, especially when the president is a woman, who has sought the reconciliation of all Nicaraguans and who enjoys the backing of the Nicaraguan people and the international community.

Because of this, and for the sake of maintaining the national reconciliation process promoted by the president, we demand you, as a serious and responsible party, issue a satisfactory explanation on this regretful event.

We are sure that you do not endorse this kind of behavior.

Respectfully yours,

Antonio Lacayo, minister of the presidency; Alfredo Mendieta, minister of government; Ernesto Leal, foreign minister; Emilio Pereira, minister of finance; Pablo Vigil, minister of construction and transportation; William Baez, minister of social action; Pablo Pereira, minister of economy and development; Erwin Kruger, minister of foreign cooperation; Francisco Rosales, minister of labor; Roberto Rondon, minister of agriculture and livestock; Jose Sandino, acting education minister; Ignacio Velez, acting health minister; Jose Evenor Taboada, president of the Central Bank; Fernando Guzman, minister of tourism; Dr. Guillermo Vargas, attorney general

This is with regard to the attitude shown by the secretary general of the FSLN this morning to the President of Nicaragua.

Thank you.

Envoy To Convene OAS Permanent Council Meeting 3 Sep

PA0309041493 Managua Radio Nicaragua Network in Spanish 0331 GMT 3 Sep 93

["Note" issued by the Nicaraguan Foreign Ministry in Managua on 2 September; read by announcer]

[Excerpts] Following instructions from Nicaraguan Foreign Minister Ernesto Leal, Dr. Jose Antonio Tijerino, Nicaraguan ambassador to the OAS, will convene the OAS Permanent Council in a special meeting on the morning of 3 September to report on the latest developments surrounding the speech by President Chamorro marking the Army's 14th anniversary.

Tijerino has already talked to OAS Secretary General Joao Clemente Baena Soares and the session will be held at 1500 [2000 GMT] on 3 September. It is expected that the Caricom [Caribbean Common Market]-Central America Group and the Rio Group will draft a resolution fully supporting the speech delivered by President Chamorro as well as her national policy to consolidate peace and democracy in Nicaragua. [passage omitted]

On the night of 2 September there will be a very important message to the nation delivered by President Violeta Barrios de Chamorro. We invite you to wait for this message.

Information Directorate Transferred to Presidency

PA0209171793 Panama City ACAN in Spanish 1528 GMT 2 Sep 93

[Text] Managua, 2 Sep (ACAN-EFE)—The Information Directorate for Defense [DID], a sort of secret police, is under the control of President Violeta Chamorro as of today. This move complies with one of the demands made by the United States in order for aid to the Nicaraguan Government to continue.

General Humberto Ortega, chief of the Sandinist People's Army (EPS), announced the subordination of this Army intelligence organization to the Presidency during an official ceremony marking the 14th anniversary of the founding of the Nicaraguan armed forces.

This decision complied with one of the demands of the U.S. Senate (it was also demanded by the National Opposition Union, UNO) to give "free passage" to the granting of $103 million in aid to the Nicaraguan Government this year.

The U.S. Senate approved a resolution in July urging the Clinton administration to suspend aid scheduled for this year until the Nicaraguan Government certified that the armed and security forces are subordinated to civilian rule.

DID was created in April 1990, following the dismantling of the General Directorate of State Security (DGSE), which was under the leadership of former Interior Minister Tomas Borge during the Sandinist regime.

Government Extends Amnesty for Armed Groups

PA0209145893 Managua Radio Nicaragua Network in Spanish 1100 GMT 2 Sep 93

[Communique issued by Government Ministry in Managua on 1 September; from the "This Morning" news magazine]

[Text] Whereas,

It is and has been the permanent concern of Her Excellency President Dona Violeta Barrios de Chamorro's government to increase peace, stability, and national reconciliation;

The government of the Republic, through the Government Ministry, established that 31 August 1993 would be the deadline for the armed groups to surrender their weapons;

The preliminary surrender activities were interrupted by the kidnapping of the Special Disarmament Brigade's [BED] main authorities, which disrupted the armed groups' process to integrate to civilian life.

Therefore,

Reports the following to citizens:

1. The deadline for armed groups to surrender their weapons peacefully to BED has been extended from 31 August to 15 September.

2. Areas established by the government of the Republic for the surrender of weapons are hereby reaffirmed.

The Government Ministry reiterates the government's wish to achieve disarmament of all the groups, without exception, to ensure their security and reinsertion into the country's productive life.

The Government Ministry also urges that disarmament be completed prior to 15 September so that we can include the end of armed confrontation in Nicaragua with national holiday celebrations. Let us make the national holidays a starting point for the reunification of the Nicaragua family around a common project where we can all live in harmony and work for a better future.

Issued in Managua on 1 September 1993

[Signed] Public Relations and Press Directorate of the Government Ministry

Deadline for Surrendering Arms Extended to 15 Sep

PA0309042093 Managua BARRICADA in Spanish 2 Sep 93 pp 1, 12

[Text] On 1 September, the Legislative Assembly approved the president's veto on the Amnesty Law, passed by the deputies two weeks ago, with 42 votes and four abstentions, thus extending the original deadlines to benefit the persons responsible for the recent hostage-taking in Quilali and Managua.

The members of the UNO [National Opposition Unity] faction were absent during the voting. This was severely criticized by the other deputies. Sergio Ramirez, head of the Sandinist faction, described UNO's absence as "irresponsible," particularly considering that in a document signed on 21 August, UNO pledged to fully support the government's efforts at trying to settle the so-called hostage crisis. Meanwhile, Assembly President Gustavo Tablada had called on all of the deputies to support the president's veto so "Nicaragua's problems can be settled through understanding and consensus."

The approval of the veto will benefit the armed rebels who perpetrated related political and common crimes as late as 28 August (instead of 15 August) and who voluntarily demobilize no later than 15 September.

"This amnesty covers the Nicaraguan members of the self-styled 3-80 Northern Front and the Sovereignty and Dignity Commandos without any requirement other

than accepting amnesty by their own free will," according to Article 5 of the law, the only one that mentions rearmed groups.

Early yesterday, a few hours before the Assembly endorsed the veto, a group of rearmed men attacked San Ramon in Matagalpa Department killing three persons and wounding five.

At the end of the session, Ramirez said this should be the last amnesty approved by the government if the prevalence of impunity is to be prevented in the country. "The country cannot continue in the hands of those, who invoke political causes, in order to be able to perpetrate crimes, regardless of the political color of the persons. If I were asked whether or not those responsible for the San Ramon events should benefit from some type of amnesty, I would say no," Ramirez said.

In a press communique, the government minister also reported that the government extended the deadline for armed groups to get to the designated zones and surrender their arms to the Special Disarmament Brigades [BED] to 15 September. The deadline for disarming ended on 31 August. The government, however, extended the deadline considering that the activities preparatory to disarmament were interrupted by holding hostage the leading BED officials, the government document reports.

In the communique, the government confirms the areas designated for surrendering the arms. Some of these areas are El Dorado in Jinotega, as well as El Zungano, and San Jeronimo. "The government intends to disarm all the groups, without exception, to ensure their safety and reintegration into the country's productive life," the document added.

Finally, "the Government Ministry urges armed groups to lay down their arms prior to 15 September, so the commemoration of national independence can also serve to celebrate the end of armed confrontation in Nicaragua."

Panama

President Endara Opens Assembly Session

PA0309014493 Panama City Radio and Television Networks in Spanish 1806 GMT 1 September

[Speech by President Guillermo Endara during the inauguration of the fifth period of sessions of the Legislative Assembly at the Legislative Palace in Panama City—live]

[Text] Your excellency legislative assembly president, your excellency supreme court chief justice, your excellency Mr. vice president, your excellencies state ministers, honorable legislators, honorable supreme court justices, your excellency comptroller general, honorable attorney general, honorable magistrates of the Electoral Tribunal, your excellency Monsignor Oscar Brown, auxiliary bishop, your excellencies heads of diplomatic missions, your excellencies deputy ministers, honorable directors of autonomous entities, honorable Panama Province governor, honorable mayors of Panama and San Miguelito Districts, distinguished presidents of political parties, special guests, ladies and gentlemen:

The final period of sessions of this Legislative Assembly was inaugurated this morning. With it, we open the last chapter of the book that will register the work done to carry out the mandate given on 7 May 1989. The effort has been long and difficult. It was a none-too-easy path plagued with obstacles. Only the profound conviction that there was work to be done and a goal to reach have enabled us to maintain the course with a stable leadership. This is our last opportunity to work together for the welfare of the country and our fellow citizens. Our agenda of joint work contains pending points that, with diligence, we can finish without delay. These are bills that I submitted for your consideration a year ago at the start of the fourth period of sessions, which have not yet been enacted into law.

While not meaning to rank them based on their importance, I am first going to refer to the administrative career bill. We offered it to public employees and the country in general. The former hope for stability and the chance to move ahead in their jobs. [sentence as heard] The country, in turn, wants an efficient bureaucracy that contributes to national development. This is a bill that has been discussed broadly with national and foreign experts and the country's associations and unions. Still pending is the Public Force bill. Its members deserve a law that provides security and stability to them and their families.

We ask them to risk their lives to guarantee our peace and tranquility. We cannot be stingy with regard to something that is fully justified.

The Family Code and Health Code are still pending. Both codes are necessary and they have been broadly consulted. The country awaits them.

We have submitted for your consideration a bill to order and regulate sea fishing and another to update the immigration law.

Approximately 19 international agreements negotiated or signed by our country have been left pending. The Executive Branch does not want to overwhelm you with work. Nevertheless, we will again present these bills not only because we consider them advisable and necessary but because you have invested much time and dedication to them and this effort should not be wasted.

Nevertheless, there is an even more important topic that I am obliged to discuss at this historic moment. I have carried out numerous consultations and meditated greatly about the opportunity of presenting this topic to debate in this assembly and the nation. Some have advised me to refrain from doing so because we are

entering such the highly politicized period of the election campaign. Those sectors believe that the Panamanian political sector cannot stand above party interests or personal rivalries to view the broad horizon of the true national interests. I may be harboring false illusions and be completely mistaken but I have the hope that this is not so. Because I trust that the Panamanian political sector will be able to understand the significance of the decisions that are now necessary, I have decided to submit the topic to democratic debate. I feel I have an obligation to do this and future generations of Panamanians and I propose that specific measures be taken right now to prepare ourselves to take over the administration of the Panama Canal in just six years.

How to proceed? Why should this be done now? What measures should we adopt? What strategy should we follow? I will try to answer these questions. The Panama Canal has operated efficiently during the 20th century. When taking over its administration and control on the last day of this century, the Republic of Panama must be prepared to maintain its operation at the same, or better, level of efficiency. In the face of this national objective, the administration of the Canal must be organized as closely to the way it has been organized to date.

That is desirable because that organization has proved to be fitting. The conclusions of the analyses made, however, indicate our country's constitutional structure does not allow the creation of an organization that meets these desirable and necessary requirements. I will talk further about this point in a few minutes.

Accepting this premise as valid, additional provisions of our political Constitution are in order to create an organization to the need we have mentioned. This way, while establishing the mechanisms necessary to ensure the efficiency of such an important national asset, the constitutional nature of these provisions makes them permanent and secure.

I am proposing, therefore, that we make an addition to the Panamanian Constitution, following the traditional method of debating and approving them in two different legislative assemblies, as ordered by the Constitution. It will be up to the current legislative assembly to debate and approve the first phase during this fifth period of sessions. The second phase will be up to the legislative assembly that takes office on 1 September of next year, as it begins its first period on that date. This way, we obtain a major advantage. Indeed, once the additions to the Constitution are approved, the next president and legislative assembly could give them final shape and prepare the organization that will be tasked with those delicate functions at the end of the century.

We will have five years to achieve this. Otherwise, the requirement that an amendment to the Constitution has to be approved by two different legislative assemblies would postpone until late 1999 the approval of these provisions. We would have a narrow and suffocating margin of time, hampering adequate preparation. The amendment we are proposing to the Constitution is the result of an effort carried out since May 1991. At that time, I appointed a high-ranking ad hoc commission. I asked that commission to draft urgent proposals regarding the administration of the Canal and the properties that have been reverted or will revert to Panama.

It is public knowledge that from 1977, when the Treaties were signed, until 1989, when we took office, little had been done to draft and execute an overall strategy regarding the two issues. When the ad hoc commission concluded its work, I named a first presidential commission for the purpose of making specific recommendations regarding properties reverted or to be reverted.

The law that created the Interoceanic Region Authority, ARI, which you approved in extraordinary sessions at the beginning of the year, is the result of the study of that first presidential commission.

This time the proposal is to create an institution called the Panama Canal Authority [Autoridad del Canal de Panama—ACP]. It is, if I may call it so, the second half of a whole. It is the result of the analysis made by a second presidential commission tasked with studying the major aspects of our readiness to assume the Canal administration at the end of this decade.

The purpose of both recommendations, the ARI, and today the ACP, is to integrate the former Canal Zone into the national development to establish the foundation for a modern and prosperous country, which is what all of us want.

The development of the interoceanic region, together with a Panama Canal that works efficiently under Panamanian administration, will become a new source of growth for our economy and contribute to diminishing poverty and unemployment.

The organization, characteristics, and authority that we grant the institution, that is to administrate the Panama Canal in the year 2000, is in direct proportion to the exigencies of its operation. The Canal must work every day and remain open to all flags of the world under equal conditions. It must do so efficiently. The Canal requires constant maintenance and urgent repairs must be done immediately. Finances must be handled very carefully to ensure that needed funds are available immediately. Its officials need to be able to make the required decisions in time. The administration must have the most capable personnel, both at the executive and at the planning level, as well as at the operational level.

To attain these goals we are proposing an organization with clearly defined work and authority, with an adequate financial and labor regime, and administrative autonomy that will allow it flexibility, but at the same time allow it the proper balance to ensure correct controls by the national government. The bottom line is that we propose creating a legal person with public authority

[una persona juridica de derecho publico] who will have the exclusive administration and operation of the Panama Canal.

The choice of alternatives to the current Canal will continue to be the task of the national government. The ACP can set tolls, but only by cabinet council approval. Likewise, it will pay into the National Treasury rights per net tonnage of vessels that transit the Canal and will pay into the National Treasury the yearly surpluses after covering all accumulated deficits.

The ACP should have exclusive responsibility for the conservation and use of watershed resources, because this water is essential for its operation. Likewise, the ACP will have control of vessels in Canal waters and of existing and future ports.

The ACP's management will be handled by a board of directors made up of a member with the rank of minister of state, appointed by the president; a member appointed by the Legislative Assembly; and nine members appointed by the president, in agreement with the Cabinet and ratified by the Legislative Assembly. The board's functions will mainly be to appoint the administrator and assistant administrator of the Canal; fulfill other management duties in connection with the Canal's operations and the budget and finance system; and establish the limits of the watershed.

I must particularly mention that the ACP must have the authority to establish regulations. There are certain issues on which the Canal's managing organization must be granted the authority to establish regulations. The idea is not to grant legislative autonomy or create a parallel legislative branch. It is an authority to establish regulations and it would be exerted by the ACP abiding by, and based on, framework laws created by the Legislative Assembly for this purpose.

This applies to the labor system and mechanisms to settle labor conflicts; navigation in Canal waters; the system for requesting, purchasing, and disposing of assets; the use and treatment of waters and disposition of refuse; the accounting, budget, audit, treasury, and internal audit systems. The labor system that will be created is aimed at maintaining the same system and methods in effect on 31 December 1999.

Mr. President, Honorable Legislators, I have presented a concise version of the most important and, I believe, most interesting provisions in the proposal for additions to the Constitution of Panama that we will soon present for your consideration. The proposal has been studied at length and fully consulted by a group of very capable men and women. They have strived altruistically and patriotically and dedicated their time and efforts to this work. More than 100 Panamanians, experts in different fields related to the topic, have participated in the presidential commission's work.

I must publicly acknowledge the altruistic work carried out by Mr. Joaquin J. Vallarino and his contributions to the Panamanian nation. I bear witness, for history and future generations, to the quality and seriousness of the work carried out by Mr. Vallarino, under whose expert guidance the ad hoc commissions and the two presidential commissions worked.

I know you will want to study this proposal and consult it with even more amplitude. That is how it should be done because the topic is very important for all Panamanians. Allow me two final cons derations on this issue. We do not want, or pretend, to create a canal zone again. No Panamanian wants that.

The concept brings unpleasant memories and shakes even our most intimate feelings of nationalism. It is also essential to devise mechanisms, instruments, measures, and a rationale to guarantee the Canal's continuous and efficient operation. We must attain this delicate balance, one that can embody efficiency and supervision, flexibility and control, useful independence and appropriate independence. This search, however, should not paralyze us. We must find this formula. A lot of time has already been wasted. We must take advantage of the remaining time.

In addition, without any further delay, we should send a message to the world on our country's purpose and intentions regarding the Canal. The world community in general and Canal users in particular are interested in the subject and are watching it more closely than we can imagine. Five years are not a long time for preparation. Our purpose is serious. Next month, I will speak at the UN General Assembly, a forum very interested in learning about Panama's intentions. Panama's inaction would not be regarded as a positive message in this or any other international forum.

Summing up, we are facing a historic challenge and I regard myself as bound to take up the initiative. The challenge is also for this country's politicians because it is they who must shed their limited daily interests to assume a very important responsibility. Let God illuminate our path.

Honorable Legislators: The year 1994 will be a year of renewing officials. Our mandate is about to end. Many of you aspire to occupy a chair as a representative of the voters again. Some of you may have different plans. By constitutional stipulation, I am the only person in this room who cannot aspire to elected posts. As I said on one occasion, this is both my limitation and my freedom, because no electoral interest moves me and I can make the most appropriate, albeit not the most popular, decisions.

No one in his right mind can deny that we have gone a long way. The early days of confusion in our government are far behind. No one can deny we are free to say whatever we want. [applause] The full freedom of expression existing in Panama should make us ponder a phenomenon we are experiencing and to which we are not accustomed.

I am referring to the amount of information, opinions, and views that are received by the public. Now, more than ever, Panamanians must learn how to discern between what is true, what is exaggeration, and what is a lie. That is what I referred to when I said in the past that Panamanians must have their own critical view, so as to determine what is true when it is given to them and not be deceived.

We cannot ignore the economic boost we have experienced in these years of government. We must still fight against poverty and alleviate unemployment. Progress must reach every home in every corner of the country. Instead of slinging mud and ruining reputations, setting a terrible example for our fellow citizens, I appeal to you that we work together and walk harmoniously along the path that remains. [applause]

We are living in peace and are going to progress peacefully, without so many lies, without so much hate. Let us build, rather than destroy. Let us be more positive. Let us do more for ourselves and for our fellow citizens. Thank you very much. [applause]

Foreign Minister on Weapons Deal Case

PA0209195293 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Aug 93 p B5

[Text of document issued by Foreign Minister Julio Linares to President Guillermo Endara in Panama City on 25 August; first five paragraphs are document headings, published under the Panamanian coat of arms]

[Text] Republic of Panama

Panama, R. of P.

Foreign Relations Ministry

The Office of the Minister

D.M. No. 676/93

Your Excellency, President of Panama:

Your Excellency has appointed a commission to investigate everything related to the purchase of weapons that supposedly were destined for Panama but that the Panamanian Government had never purchased. The members of the commission appointed by Your Excellency are: Deputy Comptroller General Jose Chen Barria, who presided over the commission; Luis Ramon Fabrega, director of the Consular and Ships Department of the Finance and Treasury Ministry; Marina Mayo, assistant to the foreign minister; and Mercedes de Leon, first secretary of the Office of the Comptroller General.

On 16 August, the commission presented to Your Excellency a report signed by the first three officials listed here. Ms. Mayo presented an explanatory note as some kind of no vote.

As Your Excellency knows, on 17 August, approximately three hours after having returned to the country, I denounced, during a news conference, that the report contained omissions, unfounded statements, contradictions, and incorrect affirmations that tarnish the image of the Foreign Ministry. The purpose of this document is to leave a record of this impugning.

For Your Excellency

GUILLERMO ENDARA GALIMANY

President of the Republic

City

I. OMISSIONS

The Presidential Commission report says nothing about events that are relevant. The nonmention of such events deprives the report of the attributes of objectiveness and veracity it should have. The report presents a deceptive depiction of the Foreign Ministry's performance. The report does not mention the following:

A. Your Excellency advised me not to pursue the weapons matter so asnot to obstruct international investigations by intelligence organizations to uncover the people responsible for trying to conduct a criminal trafficking of weapons that, fortunately, was not consummated. This is a notorious fact that Your Excellency has mentioned to the media, on several occasions, having made this recommendation.

B. The Czech Government never told the Foreign Ministry or our ambassador in Nicaragua, Luis Eduardo Varela C., that the Czech Industry and Commerce Ministry had 60 days to approve or reject the shipment of Czech-made weapons. The Foreign Ministry found out about this deadline through the Presidential Commission report. The only verbal request the Czech ambassador to Nicaragua and Panama made to Ambassador Varela was that the information he needed about the authenticity and legality of the 22 March 1993 certificate of final destination be provided before 12 June 1993 (Document No. 1).

C. Some time between 9 and 11 June, (Ambassador Varela is inclined to believe that he responded in the afternoon of 10 June) Ambassador Varela verbally told Ambassador Diesk that the weapons mentioned in the destination certificate were not being acquired by the Panamanian Government (Document No. 2).

D. The communication that took place between Panamanian and Czech diplomatic officials was verbal until 28 June 1993, the day when Czech Deputy Foreign Minister Alexandr Vondra gave me, during a meeting we held in Prague, Note No. 94-254/93-7, with the 28 June 1993 dateline (Document No. 3).

E. During the Prague meeting I told Deputy Minister Vondra the following: "Panama has not authorized the purchase of those weapons and has no intention to purchase them and for this reason their destination is not

Panama" and also "Panama is conducting an investigation on this matter and Czechoslovakia would be informed about the results of these investigations." (Document No. 4).

F. The certificate issued by the Government and Justice Ministry, signed by Minister Juan B. Chevalier, Deputy Minister Carlos Raul Trujillo, Jose Nelson Brandao, institutional director of public security matters, and Ricardo Garcia Pezet, deputy institutional director for public security matters, was sent to the Czech Republic's Foreign Ministry through Note D.M. No. 628/93 dated 4 August 1993, duly authenticated (Document No. 5). The same was sent to the U.S. Government.

These facts should have been mentioned in the report as their omission leaves the false impression that since the Foreign Ministry learned about these facts, at the end of April, as is recorded in said report, No. 23, nothing was done on a diplomatic level. This is not true.

II. UNFOUNDED ASSERTIONS

The Presidential Commission's Report contains assertions that adversely affect the Foreign Ministry's image and are not in keeping with reality. These assertions are:

A. Panamanian authorities officially denied that the weapons were for the national government (See No. 20 of the Report) on 29 June 1993, through certification issued by the Government and Justice Ministry.

This lacks grounds since between 9 and 11 June Ambassador Varela expressed the above to Ambassador Dlesk (Document No. 2). I reiterated the same to Deputy Foreign Minister Vondra on 28 June (Document No. 4). On 23 July, the Panamanian Foreign Ministry wrote to the Czech Foreign Ministry, as is acknowledged in No. 19 of the Presidential Commission's Report, to state that "the Foreign Relations Ministry can report that the national institutions in charge of these purchases is the Government and Justice Ministry and that the articles listed in the end-user certificate in question were not purchased by the Republic of Panama." (Document No. 6). Now, if the Presidential Commission's Report accepts written replies as an official denial, this was done by the Foreign Ministry on 23 July. If it accepts, however, as an official denial one that comes from an international relations body, these were given orally by the Foreign Ministry through Ambassador Varela between 9 and 11 June and by me on 26 June.

B. Between "5 and 13 June," an OAS General Assembly was held in Nicaragua with the Panamanian deputy foreign minister present. While there, the Czech ambassador took advantage of his presence to reiterate his government's request about this weapons certificate. The deputy foreign minister said he would request a reply from the Panamanian Government as soon as possible." [no opening quotation mark as published] (See No. 27 of the Report).

In the first place we would like to point out that the OAS meeting was held between 7 and 11 June and not between 5 and 13 June as stated by the Report. In the second place, Deputy Foreign Minister Mulino denies having met with Ambassador Dlesk on that occasion. Meanwhile, Ambassador Varela told me that no meeting was held between Deputy Foreign Minister Mulino and Ambassador Dlesk in his presence. Moreover, what the report fails to say is that during those days, between 9 and 11 June, Ambassador Varela advised Ambassador Dlesk that the weapons were not destined for Panama. (Document No. 2).

C. That "at the end of June, Foreign Minister Linares made a private visit to the Czech Republic where Czech officials requested an informal meeting. During that meeting, they gave a copy of the certificate to the foreign minister and reiterated the need to reply to the Czech Government. Until that time, the Panamanian authorities had not replied." (See No. 29 of the Report).

It is untrue that the Czech authorities requested an informal meeting. When a foreign minister travels abroad, even though it is a private visit, it is customary to schedule a courtesy visit to the Foreign Ministry of the country being visited. It is also untrue that since there was no reply from Panamanian authorities, the Czech Government reiterated the need for the same, as this reply had already been given by Ambassador Varela to Ambassador Dlesk between 9 and 11 June (Document No. 2).

RELATIONS MINISTRY

What the presidential commission fails to say is that the Czech Foreign Relations Ministry delivered to the Panamanian Foreign Relations Ministry, through me, the first and only time, a note regarding the weapons affair (Document No. 3). Until then all communications between both Foreign Ministries had been oral. The report also fails to mention that I told Czech Deputy Foreign Minister Alexander Vondra at that meeting that "the Republic of Panama has not authorized the acquisition of these weapons and does not intend to acquire them, therefore Panama is not the destination" and that "the Republic of Panama was investigating this and the Czech Republic would be informed of the outcome." (Document No. 4).

III. CONTRADICTIONS

The report, of course, contradicts itself to the detriment of the Foreign Relations Ministry.

A. Under No. 19, the report admits that the ministry informed the Czech Foreign Ministry on 23 July "that the articles included in the end-user certificate in question had not been purchased by the Republic of Panama." Immediately following No. 20, the report adds that "the Panamanian authorities' official denial of the transaction did not occur until 29 July 1993, through a certificate issued by the Government and Justice Ministry." The report contradicts itself because if the official

denial is understood to be the one in writing, the Foreign Ministry's note of 23 July must be considered as such (Document No. 6) because chronologically it precedes and is issued by the Foreign Relations Ministry; in other words, an international relations body of the Republic of Panama, a status the Government and Justice Ministry does not have. This is why the Government and Justice Ministry sent the aforementioned certification, so that the Foreign Relations Ministry could forward it to the Czech Foreign Ministry. (Document No. 5) The presidential commission fails to mention this.

B. Under No. 30, it is said that in view "of fruitless efforts by the Czech Foreign Ministry to obtain a reply from the Panamanian Foreign Ministry, when the 60-day term expired at the end of June, from the date the weapons export request was received, the Czech Foreign Ministry decided not to authorize the export and cancelled the sale."

By simply reading No. 14 of the Presidential Commission's Report one concludes that this is not so. No. 14 reads: "At the beginning of April 1993, the Czech Industry and Commerce Ministry, Export License Office, received the formal export request for the first weapons shipment to the Republic of Panama, corresponding to EUC of 22 March 1993, a certificate issued by the Panamanian vice consul in Barcelona referred to in this report under Nos. 1, 2, 3, and 4." In other words, if the request was made at the beginning of April, the 60-day term should have expired at the beginning of June, if it were calendar days and not working days. The report does not specify. If it were working days the term would have expired at the end of June or beginning of July. In the worst of cases, the term could not have expired in excess because on 4 June Jose Nelson Brandao, institutional director of public security affairs, sent Note 208/93DIA-SP to the U.S. Embassy in Panama, because the Czech Government had requested their assistance. In this note Brandao certifies "that Panamanian Government authorities have not authorized the import of an weapons shipment from Czechoslovakia into its territory." (Document No. 7) That same day, J. Menalco Solis, executive secretary of the Council for Public Security and National Defense [Conasepuden] faxed Note No. 417-MS to the head of the Spain Information Service (Document No. 8), in which he noted that the Panamanian Government had not purchased and was not the final consignee of the weapons mentioned in the above mentioned end-user certificate. It is unfortunate that the Presidential Commission, which was aware of this last note since it is mentioned in No. 22, instead of pointing out that "it was not addressed to the Czech Government," should have instead determined if the Spanish authorities had forwarded the note to the Czech Government.

It would not be redundant to point out that the Foreign Ministry cannot accept, because of its inaccuracy, the statement that any steps taken by the Czech Foreign Ministry would have been in vain. It should be kept in mind that Ambassador Varela, as has already been stated, had likewise given Ambassador Dlesk the required answer before 12 June (Document Nos. 1 and 2) and I had already done the same to Deputy Minister Vondra on 28 June 1993 (Document No. 4).

But there is more. A REUTER dispatch originating from Vienna, which is self-explanatory, was published in six columns on page 2A of the 19 August 1993 edition of EL PANAMA AMERICA, under the unfortunate headline: "Czechs Prevent Weapons Trafficking to Panama." It says:

"On 18 August, a Czech Government spokesman stated that an attempt to export millions of dollars worth of weapons from the Czech Republic to Bosnia, which was uncovered by a Panamanian investigation, was blocked before the weapons could be shipped out of the country.

However Austria, also indentified during the Panamanian investigation as a source of weapons in an action directed at evading UN sanctions against the former Yugoslavia, stated that it was unaware of any such attempt.

Marek Skolil, spokesman for the Czech Foreign Relations Ministry, indicated that an export certificate for the weapons had been issued to export the weapons. The certificate was rescinded when it was discovered that the weapons were not intended for Panama. What is even more important is that the weapons never left the country, there was no negotiation, Skolil assured REUTERS in Prague."

Any comment is unnecessary.

IV. MISTAKEN STATEMENTS

The Presidential Commission's Report carries statements that can well lead to misunderstandings, such as:

A. "Vice Minister Jose R. Mulino, upon learning of the content of the message forwarded by Ambassador Varela, stated that he immediately met at the Foreign Ministry with Mr. Jose Nelson Brandao, institutional director of public safety matters, and with Deputy Director Ricardo Garcia Pezet. They disclosed that they were already aware of the affair and that the Foreign Ministry should remain on the sidelines since the Government and Justice Ministry was already taking the necessary steps."

The manner in which the above mentioned numeral has been transcribed would lead one to believe that the meeting with Brandao and Garcia Pezet had been arranged by Vice Minister Mulino.

This is not the case. Brandao and Garcia Pezet requested a meeting with Vice Minister Mulino with the purpose of obtaining cooperation from the Foreign Ministry in establishing the authenticity of Deputy Consul in Barcelona Victoria Uribe Cluet's signature which appears in the 22 March 1993 end-user certificate. As result of this they proceeded to explain the investigation that was taking place connected to the certificate.

B. On "15 May, the Czech ambassador in Nicaragua travelled to Panama and met with Foreign Ministry officials, who stated that they did not have an official reply confirming or denying the authenticity of the arms requests." (See No. 26 of the Report).

The previous statement could imply that Ambassador Dlesk traveled to Panama in connection with the weapons case. But that is not what happened. Since his tenure as ambassador to Panama was ending and he was being posted back home, on 18 May not 15 May, which was a Saturday, he came to the Foreign Ministry to bid me farewell, a matter of course in these cases. Ambassador Dlesk did not mention the weapons case in our meeting so the issue was not discussed. Nevertheless, during the meeting I said I intended to visit as soon as the World Human Rights Conference ended. Moreover, it is not true Ambassador Dlesk "met with Foreign Ministry officials" in Panama or that these officials told him "they had no official reply which confirmed or denied the authenticity of that weapons order." Ambassador Dlesk availed himself of the fact that, due to his functions, the director general for state ceremony and protocol meets and introduces the ambassadors, who visit me. He said he wanted the national government to answer the oral request made to Ambassador Varela (Document No. 1). The aforementioned director general would not "have an official reply" in hand because he merely carries out protocol functions; Ambassador Dlesk should have been aware of this.

C. "Mrs. Maria de los Angeles Casco, in charge of consular affairs in Madrid, is the only Panamanian official who has admitted she met with Mr. Robert Breiner." (See No. 13, b, of the Report).

Since the statement that Mrs. Casco "has admitted she met with Mr. Robert Breiner" could be interpreted as saying the initiative for the interview was hers, or that she requested it, it is more accurate to say,- as Mrs. Casco states in her 14 June 1993 report, that on 14 April 1993 Mr. Breiner came to the consulate offices (Document No. 9). It is deplorable that precise terms are not used in a matter as important as this one.

V. THE PRESIDENTIAL COMMISSION CHAIRMAN'S REFUSAL TO INCLUDE IN THE REPORT FACTS WHICH CLARIFY THE FOREIGN MINISTRY'S ACTIONS

It is evident that, if the Presidential Commission Report omits the Foreign Ministry's actions, particularly Ambassador Varela's reply to Ambassador Dlesk between 9 and 11 June (Document No. 2) and the one I gave to Deputy Foreign Minister Vondra on 28 June 1993 (Document No. 4), it gives the impression that the Foreign Ministry simply refrained from taking some action. The most critical thing is that when Dr. Marina Mayo insisted to Assistant Comptroller Chen Barria, who acted as Presidential Commission president, that the report should particularly include the first actions, he refused to do it arguing there was no written evidence; and he allowed no opportunity to present written evidence, given the haste with which the report was written. Nevertheless, other facts, which are not reported in writing, were accepted and included in the report, i.e. part of the conversation between Assistant Comptroller Chen Barria and Deputy Foreign Minister Jose Raul Mulino at Tocumen Airport. Likewise, information attached to the report does not include any document which states the Czech Industry and Commerce Ministry had a 60-day deadline to accept or reject Czech-made weapons shipments, so it is surmised the assistant comptroller verbally obtained the information from the Czech authorities during his trip to Prague.

Assistant Comptroller Chen Barria's refusal, however, to include in the report facts that should have been included, given their importance, becomes even more critical if you bear in mind that on 16 August 1993 Ambassador Varela faxed him Note EPN 405/93 (Document No. 2) notifying him that between 9 and 11 June he had given Ambassador Dlesk the reply he had requested from the national government. Since the note was received before the Presidential Commission had presented its report, it would be logical to think the report would be corrected to include the information provided in writing by Ambassador Varela. Nevertheless, this was not only not done, but the report did not even include information which even indicated the aforementioned note had been received after the report was completed. This should have been done because it altered the contents. The only thing the commission president did was to attach Ambassador Varela's note to the report. By the way, attachments are seldom published; if they are, hardly anyone reads them.

All of the above prompted Mrs. Mayo to draft, in a dissenting opinion, an explanation where she mentioned the two omissions that she felt needed to be known.

I take advantage of this opportunity to reiterate to Your Excellency my highest consideration and respect.

[Signed] Julio Linares, minister

ANNEXES

Document No. 1 Letter No. EPN/287/93 of 2 June 1993 from Ambasador to Nicaragua Luis Eduardo Varela to Foreign Minister Julio Linares.

Document No. 2 Letter No. EPN-405/93 of 16 August 1993 from Ambassador Varela to Deputy Comptroller General Jose Chen Barria.

Document No. 3 Note Verbale No. 94. 254/93-7 of 28 June 1993 from the Czech Foreign Ministry to the Panamanian Foreign Ministry.

Document No. 4 Letter of 16 August 1993 from the Czech Deputy Foreign Minister to Foreign Minister Linares.

Document No. 5 Note Verbale D.M. No. 628/93 of 4 August 1993 from the Panamanian Foreign Ministry to the Czech Foreign Ministry.

Document No. 6 Note Verbale D.M. No. 589/93 of 23 July 1993 from the Panamanian Foreign Ministry to the Czech Foreign Ministry.

Document No. 7 Letter No. 208/93 DIA.SP of 4 June 1993 from Jose Nelson Brandao, institutional director of public security matters, to the U.S. Embassy's customs attache.

Document No. 8 Letter 417-MS of 4 June 1993 from Menalco Solis, executive secretary of the Public Security and National Defense Council, to the chief constable [comisario jefe] of the Spanish Foreign Information Service.

Document No. 9 Report dated 14 June 1993 from Mrs. Maria de los Angeles Casco Arias, charge of consular affairs in Madrid, to Foreign Minister Linares.

Consul to Barcelona Resigns Over Arms Transshipment

PA0209222993 Panama City Telemetro Television Network in Spanish 1730 GMT 2 Sep 93

[From the "Telemetro Reports" newscast]

[Text] Today, Foreign Minister Julio Linares accepted the resignation of Eliezer Elisha Quintero, Panamanian consul to Barcelona, Spain. Investigations are underway to determine Quintero's involvement in a foiled transshipment of Czech weapons to the former Yugoslavia. An official spokesman said that his resignation was accepted today. Autoprocessing Division

Argentina

Chilean President Arrives for Official Visit

PY0209164693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1552 GMT 2 Sep 93

[Text] Buenos Aires, 2 Sep (NA)—Shortly after 1230 [1530 GMT] today Chilean President Patricio Aylwin arrived at the metropolitan Aeroparque airport on a 24-hour official visit.

Aylwin was welcomed at the airport by President Carlos Menem, with whom he will meet at least twice during his visit. The two presidents will sign documents concerning integration between the two countries.

Weapons Technology Transfer to Iraq Denied

PY0209215493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1138 GMT 2 Sep 93

[Text] Buenos Aires, 2 Sep (NA)—Conrado Storani Jr., deputy chairman of the defense committee of the Chamber of Deputies, has denied that the last Radical Civic Union administration transferred technology to Iraq, adding that countries like the United States, Germany, France, and Italy sold to that Asian nation "weapons worth $56 million between 1976 and 1990."

In this regard Storani said that Germany sold to Iraq "chemical weapons" and France sold it "even a nuclear plant" that "Israel raided before it produced the necessary plutonium for producing a nuclear bomb."

Storani thus explained the existence, in Iraqi territory, of "plants that are identical" to the plant in Falda del Carmen, in Cordoba Province. He said that "the countries which transferred the technology to us also transferred technology to Iraq."

"We know there were three plants that were similar (to the Falda del Carmen plant), because there were similar technology transfers," Storani said yesterday in statements to a radio station.

On the other hand, the Cordoba lawmaker voiced concern about the fact that "plans are being made to make a dangerous industrial waste dump" at the Falda del Carmen facilities, adding that if this initiative is implemented "we will make a strong protest."

"We will not let our province become the waste dump of the First World. I wouldn't like this type of project anywhere in Argentine territory," the lawmaker maintained.

Storani recalled that when Foreign Minister Guido Di Tella reported to the Chamber of Deputies on 7 July, he "emphatically" denied that the Falda del Carmen plant would be recycled for use as "dangerous industrial waste dump."

He noted, however, that in an interview granted to a Cordoba newspaper, U.S. Ambassador James Cheek "neither denied it nor admitted it," for which reason "doubts have appeared" about the truthfulness of the reports.

After noting that he has already submitted a request for information on the subject at the Chamber of Deputies, he charged the Justicialist Party with "refusing to talk about or consider the subject" at the Chamber of Deputies.

Bolivia

Diplomatic Missions Asked To Aid Arms Inquiry

PY0209184293 La Paz Radio Fides Network in Spanish 1100 GMT 2 Sep 93

[Text] Fides News Agency announced that Foreign Minister Antonio Aranibar Quiroga has instructed Bolivian diplomatic missions in Portugal, England, France, Germany, and Israel to supply all the information requested by La Paz District Attorney General's Office to carry out investigations on the celebrated case of international arms trafficking.

The information is part of a press communique handed to the media by the Foreign Ministry saying that Minister Aranibar Quiroga instructed those missions to supply Captain Julio Moreno Toledo, District General Attorney's Office investigator, all the required cooperation and facilities to carry out his task.

The note sent by the Foreign Ministry to diplomatic missions abroad at the request of the La Paz District Attorney General's Office was released in the last few hours.

Brazil

Supreme Court Decision Suspends IPMF Payments

PY0209135593 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Sep 93

[Report by Salete Sobreira]

[Text] Through the issuance of a preliminary injunction, the Federal Supreme Court has exempted state, Federal District, and municipal governments, as well as government foundations and autonomous organizations, from paying the IPMF [provisional tax on financial operations]. By a majority vote, Federal Supreme Court members yesterday approved a preliminary injunction promoted by four state governors to suspend IPMF payments.

Federal Supreme Court members supported the stance held by the sponsor of the preliminary injunction, Justice Sydney Sanches, who suspended IPMF payments on the basis of the governors' argument that the Constitution forbids states, municipalities, and the federal government from taxing the patrimony, income, or services

of each other. The Supreme Court ruling benefits all states, as well as government foundations and autonomous organizations, although the situation of the latter was never the subject of discussion in compliance with Article 150 of the national Constitution.

Tax Collection Suspended

PY0309012293 Rio de Janeiro O GLOBO in Portuguese 2 Sep 93 p 25

[Text] Brasilia—States, municipal districts, and the Federal District will no longer have to collect the Provisional Tax on Financial Operations (IPMF). The Supreme Court yesterday unanimously issued a preliminary order, upon request by the governors of four states (Sao Paulo, Mato Grosso, Mato Grosso do Sul, and Parana), suspending the collecting of the tax. The thesis of reciprocal taxation immunity has prevailed, that is, the Union, states, and municipal districts cannot collect taxes from each other. The measure also affects state-run companies and state foundations.

Salaried workers will be the only ones who will pay the IPMF. Enterprises will deduct it from their income tax base. Banks will benefit from the possibility of converting by the Ufir [reference fiscal unit], each Friday, the taxes paid by clients over the week.

Judge Sydney Sanches, who coordinated the case, said: "The situation is a threat to the principle of reciprocal immunity, which can harm the federal system."

The court decision suspended collection of the 0.25-percent tax on the financial operations made by the entities mentioned in the court resolution. The resolution first applied only to the states, to municipal districts, and to the Federal District, which under the terms of Article 150 of the Constitution can neither be taxed by the Union nor levy any taxes on each other. State-run companies and foundations were not even considered by the court. But the resolution also affected them because of the second paragraph of the resolution, which included them from an analogical viewpoint.

Of the four arguments mentioned by the governors, only the one dealing with immunity was considered. This was done with so much detail that the judges made a final decision based on this topic alone. Taking into account the relevance of this argument, Judge Sydney Sanches considered that it was not necessary to study the other arguments, which involved the principle of precedence, the principle of noncumulation, and the budget balance.

Judge Francisco Rezek said: "I believe the thesis of violation of the principle of immunity is unquestionable."

"This argument is enough for preserving immunity," Judge Carlos Velloso added.

Franco To Uphold Court Ruling

PY0209163993 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Sep 93

[Report by Luis Augusto Mendonca]

[Excerpt] President Itamar Franco commented yesterday on the Federal Supreme Court ruling that unanimously approved a preliminary injunction declaring the IPMF [provisional tax on financial operations] unconstitutional, which was sponsored by state governors. President Franco said: We must comply with the court's ruling. That is that.

Regarding the crisis between the PMDB [Brazilian Democratic Movement Party] and the executive branch, President Itamar Franco said he was one of the founders of the PMDB in Minas Gerais State. He noted that in 1980 he was the eighth person to obtain a PMDB membership card in Ouro Preto and that he came to Brasilia with Senators Pedro Simon and Teotonio Vilela to take Deputy Ulysses Guimaraes, who at the time was PMDB president, back to Minas Gerais. [passage omitted]

Government Cannot Appeal Decision

PY0309012993 Rio de Janeiro O GLOBO in Portuguese 2 Sep 93 p 25

[Text] Brasilia—The government cannot appeal the decision made by the Supreme Court yesterday [on the Provisional Tax on Financial Operations, IPMF]. The decision will remain in force until the matter is tried in November. Before making a final decision the court will gather information from the presidency and from Congress, and will listen to the Union's federal attorney and to the attorney general.

During the session yesterday, Judge Sydney Sanches also raised a request submitted by the CGT [General Workers Cenfederation] against collecting of the IPMF. The majority of court members, however, decided that the CGT is not qualified to file unconstitutionality requests with the court. By a majority vote the CGT request was shelved. The court session yesterday made a broad invitation to those who are against collecting of the IPMF, hinting that there are good chances of success. Despite the fact that the CGT request was shelved, the Constitution guarantees that the doors remain open to political parties, to the OAB [Brazilian Attorneys Association] Federal Council, to the Office of the Attorney General, and to the Senate and Chamber of Deputies' boards. A court member said: "There are claims that the Supreme Court has not suspended this tax, but no one up until now, except for the governors and the CGT, have raised the point in court so we can examine it."

'Severe' Measures To Combat Deficit, Inflation Planned

PY0209164493 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Sep 93

[Text] According to what Finance Minister Fernando Henrique Cardoso said during a meeting with PSDB [Brazilian Social Democracy Party] bloc members at Deputy Jose Serra's residence, the government will implement severe and strict measures to combat the public deficit and inflation. These measures will be disclosed over a national radio and television network on either 13 or 14 September, a month after the implementation of the Immediate Action Economic Plan.

According to those who attended the meeting, these measures will not affect salaries or change tax percentages on income taxes.

PT Leader Lula Da Silva Interviewed

PY0109201793 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Aug 93 Section 6 p 6, 8

["Excerpts" of interview with Workers Party, PT, President Luis Inacio Lula da Silva by Clovis Rossi in Belo Horizonte "last week"]

[Text] [Rossi] Do you believe you are already competing in a runoff election?

[Lula] No. We still have 14 months before the elections. I do feel we are ready to win the right to compete in a runoff election and then win the election?

[Rossi] Alone? Or do you need to make alliances?

[Lula] We can win the right to be in the runoff election by ourselves. I believe we need allies to win and to govern.

[Rossi] Do you need an alliance to win more than to govern?

[Lula] Both. I think it is more important to establish the bases for governing than just to win, because one might be able to win and then not be able to govern. We have to win and be able to implement our platform, which is the reason for winning. I think both are needed.

[Rossi] The past three presidents have not had the support of the majority in Congress, or they have found it difficult to organize a majority. The PT has always obtained extraordinary support in presidential elections and less support in legislative elections.

[Lula] Former President Jose Sarney assumed the presidency in 1985 and by 1986 his party controlled 302 legislative seats. Thus, he governed with a broad majority in Congress. His problem was not his party's representation in Congress, but his lack of political ability to deal with Congress.

Former President Fernando Collor was elected in 1989. By 1990 he had a very broad congressional ideological base even though he belonged to a small party. He was unable to govern due to his arrogance when dealing with Congress. Current President Itamar Franco has the same problem. It is necessary to combine the need for a majority with a great capacity for political maneuvering.

It is necessary to remember that next year will herald something unusual in Brazil's political history of the past 40 to 50 years: It will be the first time we have general elections. I think the time is ripe for people to begin to work for the linking vote [voto vinculado]. This is why we say it is possible that the alliance that wins the election could also have a majority in Congress.

[Rossi] When you mention working for this linking vote, do you mean passing legislation to establish the linking vote?

[Lula] No. I mean working on voters politically, making them aware of the need to link the vote for the president with the vote for governors, federal deputies, and federal senators. People obviously do not vote that way. They vote for individuals. It is our duty, as a party with a more uniform bases of support, to work on that.

[Rossi] Is the PT becoming similar to other parties? In the past, no one needed to consult Lula or PT leaders to know, in general terms, the PT position on a specific subject. Today, there is a wide range of opinions. To cite just one example: The party is against revising the Constitution, yet some PT deputies state that the party must be prepared for it. This raises several issues, all of which surfaced at the recent national convention of the party and created quite important ideological confrontations....

[Lula] There was a time when it was easy to know our position because we opposed everything. That is very easy to do. We decided to adopt a stance against revising the Constitution, but we need to be alert because if it is approved we will have to submit a draft proposal. Thus, I believe party deputies and party leaders are behaving correctly in this regard.

The party has grown and I believe this diversity of opinion is very rewarding. But people must learn to engage in politics. People must gain more experience. For example, I never had any problem conducting party negotiations during previous party conventions. For the first time during this last national convention, I was forced to negotiate with people who hold different positions. Despite the war-like atmosphere, we decided to show that we were able to hold a great meeting. We held a high-level debate among people who support different ideologies.

[Rossi] Will your eventual departure from the political scene cause a schism because of your negotiating role inside the party?

[Lula] No, there will be no schism. I believe that any party that has many opposing factions must have two leaders that are above these disputes and who negotiate with each faction on an equal basis.

[Rossi] If the PT was in power, could a dispute of this nature cause stagnation?

[Lula] This will be discussed prior to the elections. I intend to present a government program to Brazilian society by April or May 1994. I hope this will not be solely a PT government program, but one of the PT allies as well.

We in the PT have been able to distinguish the differences between governing and heading a political party. In a government program, you establish principles, which are many, but when in power you do what is possible.

[Rossi] Some so-called radical factions have assumed important positions within the party. In general they are party factions that have a mania for the party apparatus, that is, they use the party apparatus as a means to reach the masses. Do you fear that this use of the party apparatus may destroy the party?

[Lula] Many people believed the party would emerge from the party convention weakened given the more leftist position it adopted, but I have witnessed in my travels throughout the country that the convention spurred great enthusiasm within the PT.

The party has indeed adopted measures that are more to the left and it is not a mistake to come out and say so. The party was behaving as if everything was the same, that there were no differences between us and the PSDB [Brazilian Social Democracy Party]. We had to show that there is a difference, that not everything is the same. I believe the convention was good for the party.

[Rossi] How would you define this new party in classical universal terms? Is it a social-democratic, a socialist, or a liberal party?

[Lula] It is a socialist party that is aware that it cannot confuse a government program with the implementation of socialism. That is to say, it is a party that does not confuse its strategic program for a socialist society with a five-year government program. This is quite obvious. It is a party that it is not ashamed of defending socialism. We are not ashamed of defending socialism just because East Europe has fallen.

[Rossi] What socialism?

[Lula]If someone were bold enough to say what type of socialism is ideal, it would become a best-seller because everybody is striving for the formula for that type of socialism. Maybe I have my own formula. I believe in a plural society, a society in which freedoms will not be restricted at any time, a society in which the freedom and autonomy of the trade union movement will be preserved, but also a society in which wealth is distributed fairly.

[Rossi] Is that a strategic project or a priority for the five year term of your presidency?

[Lula] That is a project for the five years of my administration. I have mentioned some of the things we are going to implement. We want to improve health care, education, but I do not know whether we will be able to do all that in five years. We must start doing all that right now so that in 10 years time we will have a different level in the country.

We will set up the structure for a new generation. One must bear in mind that within 10 or 15 years we will have a new generation with different ethical and moral standards, with a different education level, and a different way of dealing with the health issue. We are actually betting on that new generation.

[Rossi] That idea is reminiscent of Che Guevara and of Cuba's "new man," which even before the crisis struck Cuba proved to be a failure. Isn't what you advocate along those same lines?

[Lula] No. First, because the choice by Cubans has to do with a peculiar trait of their culture. I would not do that. I would not opt for a single party, with a lack of freedom and independence of the trade union movement, and where the government administers tire repair companies, taxi stands, and that sort of activity. I have always contended that the state cannot be the guardian of society. The state must be as democratic as possible but, even more important, I believe the state should only administer those sectors that are considered strategic. For this reason we will define what is strategic for Brazil. We will define that point by December.

[Rossi] You were severely criticized within your party for your meetings with businessmen ....

[Lula] If anyone had a criticism they did not voice it and I will continue to meet with businessmen.

[Rossi] What is, in your view, the difference between the 1989 election campaign, in which, strictly speaking, there were no meetings with businessmen, and now with you holding talks with multinationals and leading national entrepreneurs?

[Lula] Under no circumstance will we allow a recurrence of the 1989 events. At that time businessmen, many of them in bad faith, waged an ideological war against the PT. Thus, I took the initiative of approaching businessmen and holding talks to show them what the PT is all about, to let them know about our program, and to listen to their ideas and thoughts about politics and political parties.

I regard these meetings as ice breakers. We are getting to know each other. I want the people to be fully aware that we will implement agrarian reform in this country. They

should also know that we will implement an income distribution program. The other day we went to see some bankers to show them that they were making too much money and that one banking sector can only survive if there is a 15 percent inflation rate. The way things are they will not survive. Something should be done about it. Frankly, I think it was a good move.

[Rossi] On the subject of income distribution, because there is little income today in Brazil, it is believed that you may have to adopt a "Robin Hood" policy; that is, take from the rich to give to the poor....

[Lula] There are two things I believe businessmen understand all too well: First, I have not found any businessman among the more than 200 with whom I already met who is unaware of the need to improve the distribution of the national income, that the workers earn meager salaries, and that the purchasing power of minimum salaries ought to be restored.

Second, while it is true that we have to make our economy grow, it is also true that we cannot wait another 10 years to improve the distribution of the national income. The gap between those who have more and those who have less has sharply widened. Many people are aware of this.

[Rossi] Regarding the party's policy of alliances, apart from those small parties that are traditional allies of the PT, which party would you consider to be the apple of your eye?

[Lula] I believe we should establish a more serious love affair with the PSDB [Brazilian Social Democracy Party]. Considering all the disagreements existing between the two parties, we should establish a policy of holding talks with the PSDB.

[Rossi] Should these talks seek to get the PSDB to support Lula for president and the PT to support Mario Covas for governor of Sao Paulo?

[Lula] As soon as we start talking, many things may happen. But first we must start talking. [Ceara Governor] Ciro Gomes has sometimes made silly remarks, but I have not responded to him. My mother used to say that it takes two to start a fight. I do not want to fight, so I will not respond. Personally, I would even turn to the PDT [Democratic Labor Party], but apparently [Rio de Janeiro Governor and PDT leader Leonel] Brizola does not want to talk to us. Thus, if the PDT does not want a love relationship with us, we will not waste our time crying over unrequited love.

[Rossi] Are you thinking of that type of alliance for the first stage of the election or for the run-off election?

[Lula] I will try to persuade our friends from the PSDB, as well as those from other parties, should we form an alliance, that we stand a very good chance of winning the election in the first round.

[Rossi] A study by Professor Martins Rodrigues shows that the PT National Executive Board consists primarily of public officials and professionals and that only three workers are serving on it. Does the PT not run the risk of having to change its name to that of Party of Public Officials or Party of Professionals?

[Lula] We conducted a survey during the 1991 convention and found that people linked to production were having only a small participation in our party. We then started a discussion, which is still under way, about ways to improve participation in PT meetings.

I found that a worker cannot attend a convention that lasts four days because he would put his job in jeopardy. A peasant does not have money to attend a PT meeting.

[Rossi] Is the PT not running the risk of distorting its role as the representative of the workers?

[Lula] I believe it is, but we are going to change. Obviously, we will not be able to discuss the issue this year, but I believe we must change.

[Rossi] In addition to the PSDB, how far would the PT go in terms of alliances?

[Lula] We have established ideological boundaries. We will go as far as the PSDB. Yet, if members of the progressive sector of either the Brazilian Democratic Movement Party [PMDB] or the PDT approach us, we will not decline.

[Rossi] Would you include businessmen when discussing your program?

[Lula] I would.

[Rossi] Major business leaders?

[Lula] I believe we have to draw a line somewhere. Logically, it would be interesting to hear what other people think. After all, we do not believe we know everything.

[Rossi] In light of the major problems facing the country, are you not afraid that the high level of expectation, fueled by the electoral campaign, could ultimately cause strong disappointment, which could provoke an institutional disruption?

[Lula] Our campaign will not sell dreams. We want the people to harbor hope because it is difficult for a human being to go through life without hope. We want the people to be aware that no miraculous solution can be found to our problems in three or four years. A program will be implemented and actions will be taken within one year, other actions in two years, and so forth.

It is be important to ask the people to refrain from judging us six months after we are in government, but only after our five year term is over. This is why I want our government program to be aware of what each

individual wants so that we can comply. I want our campaign to be a little more serious than those usually implemented in Brazil.

[Rossi] How do you think the 1994 elections will be remembered?

[Lula] I think people are being encouraged to vote for whom they trust.

[Rossi] Do you think a lack of credibility in the Brazilian state is independent from the person who presides over it? The public administration has so deteriorated ...

[Lula] I ask God to give me a chance to show this country that it can be a thousand times better than it is today. It has been better. Brazil already has good health service and a good education system. They were broken by 30 years of silence, which this country has been submitted to, during which time frauds were committed without the people having any opportunity to report them.

[Rossi] The fact that some of your friends pay your expenses theoretically is the same as the case of Collor. That is, friends paying your bills...

[Lula] I have no friends paying my bills. I was very clear about this: I have been living in the same house for the past five years and I can legally claim it as mine. The owner of the house is my friend and he does not need it. His driver lives in another of his houses and so does his maid. He does not think it is profitable to rent his houses.

If he ever needs his house, I will return to my own because I built it myself, brick by brick, and I am very fond of it. As for the school, my children are not the first Brazilian students to go to school thanks to a scholarship.

[Rossi] But they are not the children of presidential candidates...

[Lula] The person who offered me the scholarship did so in 1990 when 99 percent of the people thought that Lula was dead as far as public life was concerned. After offering it to me for 10 years, without me accepting it, he offered it to Marisa (Lula's wife), who accepted it. He offered me the house at a time when no one even offered me Dreher cognac. I will not take my children out of this school unless he stops the scholarship. If he does not want to pay their schooling, my children will have to return to their old school.

[Rossi] If he asks you for a favor when you become president, will you put him in jail?

[Lula] I do not give favors. I have had a short public life and I have helped many mayors win elections and not one of them can say that Lula ever asked for a favor or for a job for someone else. I can introduce you to unemployed colleagues from Sao Bernardo do Campo, including my son and my daughter, and I will never ask anyone for a job for them.

It is my political culture. Roberto Teixeira, in whose house I live, has never held any post in any PT municipal administration. The Santo Andre mayor invited Teixeira to be his secretary and he did not accept. If I am strict about anything, it is not linking my private activities with my political life.

[Rossi] When President Franco was installed, you suggested that he should form his cabinet with 12 Jatenes [former health minister Adib Jatene] ....

[Lula] I said with 12 [Argentine soccer star Diego Armando] Maradonas.

[Rossi] Would you form a cabinet with 12 Maradonas, be they from the PT or not?

[Lula] I think a government must contain people with both the highest professional qualification and the highest political qualification as well. A good expert is not enough. We need a good expert with a good political sense. We need people who really know this country if we are to get things done. If I won the elections I would, for example, choose Olivio Dutra [PT deputy during the Sarney administration] as a brother in power because I trust him very much and we have a deep friendship. I would give him the keys and rest knowing that he will do his job.

We do not have the right to fail. That is my slogan. On one hand we will have the conservatives trying to blame the centry-old problems of Brazil on our first five months of administration, and on the other hand we will have a mass of hungry people demanding that we solve in three months the problems that have not been solved in the past 30 years.

[Rossi] As for the institutional break, do you think there could be one if you fail?

[Lula] I am not afraid of failing. I am so prepared and aware of the responsibility on my back that I do not have the right to fail. That is why I am sure that it will turn out right. We cannot govern Brazil with conventional methods because that kind of administration has failed. It has failed. To administer without changes would be uneventful. It would mean that an administration comes to power, leaves power, and the people will remain in the same condition, starving and without homes.

We must rethink how to administer this country and I am willing to face that sacrifice.

Minister's Resignation Concerns PMDB Leaders

PY0109150693 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Sep 93

[Excerpts] Industry, Commerce, and Tourism Minister Jose Eduardo Vieira also will serve as acting agriculture minister following the resignation tendered by Agriculture Minister Jose Antonio de Barros Munoz. [passage omitted]

In his letter of resignation addressed to President Franco, Barros Munoz said he had been nominated for his post by the Brazilian Democratic Movement Party [PMDB] and noted that political circumstances have forced him to tender his irrevocable resignation. [passage omitted]

PMDB leaders in Congress yesterday declined to comment on the resignation tendered by Barros de Munoz at the request of Sao Paulo Governor Luiz Antonio Fleury Filho, who is also a PMDB member. Senator Pedro Simon, the government leader in the Senate and candidate for PMDB president, answered only one question. He said the PMDB is concerned about Barros Munoz' resignation and the party must find a solution to this problem as soon as possible.

Barros Munoz' resignation prompted an early discussion within the PMDB on its relations with the government, a topic that was to be discussed during the PMDB convention scheduled for 12 September. The discussion revealed that there is internal disagreement on this issue and that Fleury Filho seems to be heading a minority group. Congressional blocs from the states of Bahia and Pernambuco already have announced that their position is favorable to keeping the PMDB within the government. Furthermore, Deputy Genebaldo Correa, the PMDB leader in the Chamber of Deputies, also will endorse maintaining the PMDB's support for the government. [passage omitted]

President Itamar Franco told Deputy Maurilio Ferreira Lima he had not yielded to Sao Paulo Governor Fleury Filho's demand to dismiss Planning Minister Alexis Stepanenko. Franco said that yielding to Fleury Filho's demand to immediately fire Stepanenko over the dismissal of BNDES [National Bank for Economic and Social Development] President Delben Leite would have meant relinquishing his presidential authority.

Franco told Deputy Ferreira that Delben Leite overlooked the fact that he had to report not only to Fleury Filho, who nominated him for his post, but also to Minister Stepanenko.

Government Submits Draft 1994 Budget to Congress

PY0209031493 Rio de Janeiro O GLOBO in Portuguese 1 Sep 93 p 7

[Text] Brasilia—Yesterday, President Itamar Franco submitted the government's 1994 draft budget, with projected expenditures of $183.3 billion (5.2 trillion real cruzeiros based on April rates) to Congress. The estimated primary deficit, (which does not include payment of interest on domestic and foreign debt), amounts to $18.7 billion (533.1 billion real cruzeiros).

Taking the debt service into account, the deficit, from the operational viewpoint, amounts to $20.7 billion (587.5 billion real cruzeiros). The initial projection had estimated $31.7 billion. The planning minister did not explain how he had manageo reduce this projection from one month to the next. The deficit will be covered with the issuance of public debt notes for an amount also not specified.

In a communique issued last night the Seplan [Secretariat of Planning and Coordination of the Presidency of the Republic] merely stated that "the values contained in the 1994 draft budget reflect the deterioration of the government's finances." In the communique, Seplan reasserts that government policy continues to be to "truly reflect all the difficulties public finances are experiencing."

According to the note, the Treasury's expenditures, including its payroll, amount to 787.4 billion real cruzeiros, that is, 41.3 percent more than this year. The reason for this increase is the new salary policy, which extends the increase to several categories, from 80 percent to 160 percent of the bonus for executive duties.

The draft budget must be approved by Congress before the end of the year; if not, it will not be able to go into recess. Minister Fernando Henrique Cardoso intends to describe the precarious situation of public finances to the legislators, in an attempt to get them to approve the amendment of the fiscal chapter of the Constitution when they review it, as scheduled, in October. The minister intends to negotiate a redistribution of expenditures among the federal government, the states, and municipal districts in order to lighten the federal government's finance burden.

According to the draft budget submitted to Congress, in 1994, public enterprises should invest $10.5 billion. This represents a $4.6 billion cut in the sector's intentions to invest $15.1 billion. Compared to this year the reduction amounts to $400 million.

According to Seplan, the reason for this cut is basically because the 1993 real value of public rates will be maintained in 1994, with the exception of the electricity sector. The public enterprises were hoping that real tariffs would increase in 1994.

The Petrobras [Brazilian Petroleum Corporation] group's enterprises are those most affected by this reduction. Petrobras proposed an investment of $4.1 billion, but Seplan only approved an investment of $2.2 billion, less than expected for this year ($3.3 billion). The Vale do Rio Doce enterprise proposed investing $964 million, but Seplan only approved $639 million.

The electricity sector will invest what it had in mind ($1.9 billion.) The Telebras [Brazilian Telecommunications, Inc.] group had proposed an investment of $4.4 billion, but it will have to keep its investments at this year's level ($3.2 billion).

Federal banks will invest the same amount of money as this year ($603 billion) instead of what they had proposed ($1.2 billion). Typical public enterprises (those

that do not generate enough resources to keep themselves and depend on the Treasury) will increase their investments from $456 million this year to $787 million in 1994, exactly what they proposed to Seplan.

Public enterprises' investments will be financed with their own resources (40 percent) and loans (48 percent). The Treasury will only supply 4 percent of the resources.

Special Police Unit Created To Fight Death Squads

PY0209164093 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Sep 93

[Text] Justice Minister Mauricio Correa instructed Federal Police General Director Wilson Romao to establish a special unit to combat death squads. In a message addressed to Colonel Wilson Romao, Correa states that the recent hideous crimes in Rio de Janeiro seem to have been premeditated.

The special police unit will assess, inform, and even intervene in the investigation of killings whenever necessary.

Government Cancels Hydroelectric Plant Construction

PY0109010293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Aug 93 p 13

[Article by Carlos Franco]

[Text] Manaus—Mines and Energy Minister Paulino Cicero announced on Friday, 27 August, the cancellation of the construction by Eletronorte of the Jiparana hydroelectric plant in Rondonia and the Cachoeira Porteira plant in Amazonas, as well as the shelving of new hydroelectric projects in the northern region. This decision was taken because the Urucu region, in the middle of the Amazon jungle, 600 km from Manaus, has natural gas deposits estimated at 28 billion cubic meters, which is enough to supply several thermoelectric plants.

The decision was made after studies carried out by Petrobras, Eletrobras, and Eletronorte. Consequently, two thermoelectric plants will be built to replace the hydroelectric ones: the plant in Manaus, with a generating capacity of 600 megawatts, and the Jiparana plant, planned to supply the Acre-Rondonia line with a generating capacity of 400 megawatts. Together these two thermoelectric plants make up for four Balbina [dam in Amazonas State, north of Manaus] plants, and cost four to five times less.

Minister Cicero, who visited Urucu on Friday, was so enthusiastic that he asked Eletronorte President Ricardo Pinheir and Petrobras President Joel Mendes Renno to order studies to determine the possibility of replacing oil with natural gas in the already existing thermoelectric plants in the region.

Currently Urucu produces 800,000 cubic meters of natural gas per day. In order to take this natural gas to Manaus and Porto Velho, a gas pipeline 250 km long will have to be built up to Porto de Coari, where the gas would be processed and transported in barges. According to Renno, this project would demand an investment of $1.3 billion. Cicero dedicated the Urucu diesel minirefinery, which will process 240,000 liters of oil per day, which in turn will produce 75,000 liters of diesel fuel per day, of which 25,000 liters will be used by the plant itself. Oil production in this region amounts to 13,000 barrels per day, and estimated reserves amount to 156 million barrels.

Chile

Acting Foreign Minister Denies Border Treaty Revision

PY0209204993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 2 Sep 93

[Text] Acting Foreign Minister Rodrigo Diaz has said that the border treaty with Bolivia cannot be modified. Diaz was thus responding to recent statements made by the Bolivian Government which said that Chile has adopted a more flexible attitude regarding the revision of the 1904 treaty that resulted in Bolivia's landlocked position. The acting foreign minister stressed that the treaties in force must be fully upheld and honored.

In addition, Diaz reported that the Chilean-U.S. special commission established to resolve the poisoned grapes case is already working. He added that this issue must be resolved before the end of the Patricio Aylwin administration.

Regarding the Foreign Ministry officials who are under investigation for their participation in the Berrios case, Diaz said that the prosecutor has not yet issued a ruling, and that therefore a final report cannot yet be issued.

Draft Human Rights Bill Withdrawn From Congress

PY0209205193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 2 Sep 93

[Text] The government has withdrawn from Congress the draft law expediting investigations into cases of human rights violations. The government adopted this decision because the Coalition of Parties for Democracy [CPPD] was unable to achieve an agreement for the approval of the draft bill during the constitutional term starting on 18 September.

Intense CPPD negotiations to achieve an agreement for approval in the Senate of the draft law to expedite investigations into human rights violations cases were in vain. Very early today the leaders of the different parties making up the CPPD submitted a letter to President Aylwin requesting that he cease granting the draft bill an expeditious treatment.

Because the government believed that the approval of this draft bill demanded a national and political consensus, it decided to withdraw the draft bill.

[Begin Secretary General of Government Enrique Correa recording, in progress] ...cease granting it expeditious treatment, and not include it in the extraordinary legislative session that starts 18 September. [end recording]

Later, at Government House, Enrique Correa said that investigations into human rights violations cases are now in the hands of the courts. He also denied that the withdrawal of the government draft bill will have an impact on government-Army ties, or that it is a political mistake.

[Begin recording] [Correa] As the president has said, it is never a political mistake to make such a worthy effort for peace, justice, and truth.

[Interior Minister Enrique Krauss] First of all, it is an insult to have named this draft law the Aylwin law, because President Aylwin has submitted numerous other bills. [end recording]

Enrique Krauss added that the withdrawal of the draft bill for an expeditious treatment of human rights violations cases does not mean Aylwin is willing to delay the clarification of human rights violations cases.

In his capacity as vice president, Enrique Krauss assumed the presidency during a ceremony held at the international airport, in view of President Aylwin's short trip to Argentina.

Colombia

Defense Minister Reacts to CNGSB Attack

PA0309050893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Sep 93

[Report by Alvaro Ayala; from the "24 Hours" newscast]

[Text] Defense Minister Rafael Pardo has said categorically that on no account will the Armed Forces remain in their barracks; they will continue fighting.

[Begin recording] [Ayala] Mr. Defense Minister, what is the government and the Armed Forces' reaction to this new attack by the Guerrilla Coordinating Board [CNGSB]?

[Pardo] With much grief and indignation. Obviously, it hurts to see Colombians, who are serving their country, killed. I also want to say that this incident will not cause the Armed Forces to remain in their barracks; instead, they must continue in the fields, in the cities, on the roads to protect Colombians' lives.

[Ayala] How do you react when people ask if the government strategy against the subversion has failed?

[Pardo] Painful events such as these probably lead many Colombians to believe that the strategy has failed or that the expected results have not come about in the short term. We cannot take this attitude; we must continue forging ahead. We believe that the path we have chosen to face the violence and crime is the correct one. We have suffered setbacks, but we believe that for the sake of Colombia and Colombians we should continue ahead, continue strengthening public forces and justice and jail those who are breaking the law, who are harming Colombians. We believe this is the correct path. [end recording]

This is the latest report on the new CNGSB attack against the official troops.

Navy Seizes Dynamite Being Smuggled by FARC

PA0209133293 Santa Fe de Bogota EL TIEMPO in Spanish 21 Aug 93 p 9A

[Text] There is new evidence of an apparent offensive being planned by the FARC [Revolutionary Armed Forces of Colombia] and other subversive organizations that form the Simon Bolivar Guerrilla Coordinating Board. The operation is code named "Black September."

State security agencies have uncovered a FARC plan to smuggle into Colombia more than 800 kg of dynamite from Ecuador. The national Navy foiled the first shipment of explosives along the Colombian coast four days ago. According to state security organs, the purchase and provisioning of dynamite are part of a subversive strategy drafted during the eighth FARC conference, held in La Uribe, Meta Department, several months ago.

The strategy's objective is the unleashing of a fierce offensive against land communication centers as well as against military units, both mobile and stationary in the final months of the year. Thus, after an information gathering phase during which it would be determined which sites would come under attack, FARC would initiate a series of terrorist attacks, especially ambushes against military patrols and dynamite attacks on rural military outposts. This information has gradually been confirmed, first because of the increasing number of weapons for the guerrillas entering the country from Central America and second because of the recently uncovered plan.

Four days ago, troops from the 2d Marine Infantry Battalion, based in Tumaco, found the first load of dynamite shipped to the FARC. A man and a woman had shipped 240 kg of dynamite in motorboats that sailed from the port of Esmeraldas, Ecuador. The explosives, packed in boxes of 20 kg each, had the seals of two of the three factories that produce dynamite in Ecuador: Explogel and Ecuagel. A woman, whose last name is Tovar, was captured in the operation and turned over to the district attorney's office. Tovar is accused of being the middleman between the Ecuadoran salesmen and the Colombian buyers, especially guerrillas and drug traffickers.

For the 29th Front

In addition, the Navy patrol arrested a man who was apparently in charge of directing the transportation of the dynamite by sea. The dynamite was shipped from Quito to Esmeraldas, where it was loaded into motorboats and brought to Colombia. As the dynamite was about to be unloaded, infantry battalion units caught the perpetrators and confiscated the explosives.

According to investigations, the dynamite had been purchased by the FARC's 29th Front, which operates in southern Cauca Department. According to the source, FARC was planning to smuggle more dynamite into the country over the next few days. The goal was to accumulate 800 kg by the end of the year.

An official source said supposed coconut dealers from Colombia's southern coast helped transport the material. The smugglers sail out of ports like Tumaco, bound for Ecuador, in boats loaded with coconuts. Once in Ecuador they meet the dealers and load the dynamite into the motorboats. The government does not know how much dynamite has entered the country via the Ecuadoran border. The Armed Forces is very concerned, as this dynamite confiscating operation has revealed how easy it is to buy dynamite in the neighboring country.

Paraguay

Opposition, Ruling Party Approve Governability Pact

PY0209215993 Asuncion ABC COLOR in Spanish 2 Sep 93 p 8

[Text] After a long debate last night, the Authentic Radical Liberal Party's [PLRA] executive board decided to support the governability pact proposed by Domingo Laino. The Colorado Party executive board, meanwhile, also decided to support the initiative. The PLRA executive resolution says that the pact must not affect present agreements in Congress, stressing that it must not result in an agreement to obtain public appointments, but rather in a commitment that such positions will be open to all Paraguayans. The Colorado Party executive board meeting was held behind closed doors.

Laino's proposal says that on 15 August the country began experiencing a new chapter with the installation of a totally civilian government, and that society hopes to live in peace, with security, in freedom, and to participate in the process.

The proposal considers it necessary to implement effective and pragmatic mechanisms to consolidate the democratic and republican system, within the framework of the Constitution and the law, by signing a governability pact between all political movements and parties.

According to the proposal that was approved, the pact commits all signatory members to promote democratic principles above all other considerations, to separate public administration from the hold of political parties, to exercise public service without possible sectarian commitments, and to face conflicts through dialogue.

It also proposes that signatory members keep the right to criticize and exercise a permanent defense of the Constitution. The proposal does not rule out the possibility of creating opposition positions or of supporting official party proposals. Neither does it seek to destroy previously made agreements or alliances.

Laino's proposal establish the following priorities:

A. An independent, efficient, and honest Judicial Branch and electoral justice.

B. State reform aimed at turning the state into an efficient instrument for development, and the urgent privatization of deficit-prone public companies.

C. Armed Forces modernization and institutionalization and separation of the military from politics.

D. Adoption of a political agreement for the future establishment of the bases for a pact on efficient ways to attend to social needs.

After a long debate the executive board decided to promote the pact proposed by Laino, on the condition that it not affect existing agreements between opposition forces in Congress.

The resolution says that the pact must include a commitment to respect the Constitution and the law, and must support all initiatives that contribute to the country's development.

The decision makes clear that the pact should not be interpreted as a device to obtain public appointments, but as a commitment that such positions will be open to all Paraguayans.

Peru

Germany Resumes Aid to Peru, Offers Debt Reduction

PY0209233093 Lima EL PERUANO in Spanish 26 Aug 93 p 1

[Text] Peru has become the largest recipient of German cooperation aid in Latin America, thanks to a program agreed upon yesterday between the two governments resuming that country's aid, which was suspended on 5 April 1992. The total negotiated aid volume is 218.75 million German marks [DM] ($130 million).

This cooperation program is the final result of negotiations carried out within the framework of the 14th Intergovernmental Meeting of Peruvian-German Cooperation, and includes the 1993 program for technical and financial assistance and the German contribution to the Support Group.

In general terms this cooperation will be used in road construction projects, relocation of people displaced by terrorist violence, the fight against poverty, education, water and sewage networks, agriculture, environmental protection, and coca alternative programs.

During the cooperation program signing ceremony, held at the Torre Tagle Palace [Foreign Ministry], the German delegation headed by Dr. Helmut Scheffer, of the Economic Cooperation and Development Ministry, offered to reduce the volume of Peruvian foreign debt with his country to an amount of DM30 million.

The German official underlined the renewed Peruvian image in Europe, particularly with respect to the process of pacification and financial reinsertion.

Fujimori Expresses Confidence in Constitution Approval

PA0309025293 Lima Panamericana Television Network in Spanish 1200 GMT 2 Sep 93

[From the "Good Morning Peru" newscast]

[Excerpt] President Alberto Fujimori has expressed his absolute confidence in receiving the people's support in approving the new constitution during the upcoming referendum. He highlighted the fact that the Democratic Constituent Congress [CCD] approved the referendum bill unanimously. He made the announcement during a visit to Canta, where he officially opened an alpaca breeding farm.

[Begin Fujimori recording] What we want is for our rulers' language to move away from traditional politics. We want to make the constitution, the new 1993 constitution, something more than the 1993 [year as heard] constitution. We want it to be the constitution that will prepare Peru for the 21st century. What better sign than to see the CCD approve the referendum bill yesterday by a unanimous vote, as so seldom occurs. I repeat: They approved the bill by unanimous vote, just as I had promised. That constitution will be ratified by the people who want modernization and by those who want progress, well-being, and a strong and powerful country. That is the goal we have set and the government is working along side its people to attain it. What I am doing here is sowing wealth and rescuing what rightfully belongs to the people. [passage omitted] [end recording]

Aprista, PPC Says 'No'

PA0209223193 Lima Global de Television Network in Spanish 0100 GMT 2 Sep 93

[From the "Direct Line" newscast]

[Text] Armando Villanueva del Campo, secretary general of the Aprista Party of Peru, reiterated that his party will campaign for a no to the new Constitution. Lourdes Flores Nano, secretary general of the Popular Christian Party, PPC, also gave us her opinion.

[Begin recording] [Unidentified reporter] From where will the money come?

[Villanueva] To finance a campaign for a no the only thing needed is the value and cost of a voice saying no.

[Reporter] You still have to pay for television campaigns.

[Villanueva] No, no, no. There is nothing to pay. We must touch the people's conscience. You do not touch the people's conscience with gold or rifles.

[Reporter] Will there be alliances with other political parties?

[Villanueva] I believe there is a tacit alliance. [end recording]

Meanwhile, PPC Secretary General Flores Nano said:

[Begin recording] [Flores Nano] From my personal viewpoint, I believe the party should promote a no vote, with alternatives. It should be a responsible no, and at the same time we must clearly note our contributions and remain firm. During this campaign, certain groups will try to present us with a paradise, and others will try to take us to the past. I believe the PPS must look to the future with alternatives. [end recording]

Foreign Ministry Issues Note on Lima Convention

PY0209184093 Lima EL COMERCIO in Spanish 20 Aug 93 p A7

["Text" of Foreign Ministry Official Communique No. 21, issued on 19 August, answering a statement signed by 80 personalities about the Lima Convention, which was signed with the Chilean Foreign Ministry]

[Text] In the face of a statement that representatives of some sectors of the country published today about the Lima Convention and about the exchange of notes on 11 May 1993, under the title of "Respect for Treaties Guarantees Peace," the Foreign Ministry deems its duty to declare the following:

1. The statement maintains that the Lima Convention specifically alters the letter and spirit of the 1929 Treaty of Lima and its Supplemental Protocol, "entailing a risky and inappropriate deviation from the policy of nonmodification and untouchability of border treaties..."

The Lima Convention not only did not alter the letter and spirit of the 1929 Treaty of Lima, it upholds—through enforcement and even through expansion—the rights and services to which Peru is entitled in Arica, which have been recognized by Chile. One cannot imprudently maintain that compliance with and respect for treaties, in their execution phase, are excuses for nonexistent risks regarding the firm and unalterable Peruvian position over the observance of international treaties, especially border treaties. On the other hand, compliance with obligations by Chile, which are

described in Article 5 of the 1929 Treaty of Lima and in Article 2 of its Supplemental Protocol, has nothing to do with the territorial division agreed upon in 1929, or with the borderline established by Article 2 of said treaty.

2. The statement says that the convention "assigns to Peru the use of the "northern side" of the "Northern Dock," while Chile reserves for itself the ownership of the dock and the free availability of its "southern side." It is therefore a shared dock, instead of the exclusive dock for which the 1929 Treaty of Lima provided."

According to the terms of Article 2 of the Lima Convention, the total northern dock area (24,000 square meters) will be assigned for use by Peru, as was fully confirmed by the Special Plan, which is included in the Lima Convention and which is attached to this communique. The northern side of the Northern Dock is prepared for large ships. The southern side is a rocky area or breakwater that offers no possibility for economic development because of the features of the Arica Bay, the marine currents, the direction of waves, and the depth of the nearby sea bottom. In the technical negotiations held between 1953 and 22 October 1966, successive Peruvian Governments supported the negotiating process and gave their final approval to the current location and characteristics of the Northern Dock, authorizing Chile to begin constructing the project. Consequently, it is not a shared dock but a facility for the exclusive use of Peru.

3. The statement presumes that "Peru is obligated to grant a concession to a private enterprise formed with Peruvian or Chilean capital, or with capital of third nations, for the exploitation of the so-called "Northern Dock." Under this concession, the Peruvian state should transfer, in perpetuity, its power to decide on the independent management of the port. The privatization of management means that state policy has been mistaken for government policy."

Article 4 of the convention recognizes the Peruvian right to grant a concession to a private enterprise, which is organized as a corporation formed with Peruvian capital, for the exploitation of the Northern Dock. This means that an agreement was reached with Chile, based on a Peruvian proposal, to make the entrepreneurial system for such exploitation acceptable under the appropriate Peruvian laws. The laws regulating the entrepreneurial activities of the Peruvian state permits the creation of state-run companies for operation on the private market, like the National Ports Enterprise (ENAPU), or a mixed partnership of private and state capital. The current government has therefore given future governments the possibility of adopting the entrepreneurial system that best fits their economic policy. Moreover, the government is resolutely determined to sovereignly grant the concession to an enterprise that has exclusively Peruvian capital.

4. The statement maintains that "the historic-symbolic value of the land area known as "El Chinchorro" has been overlooked. This land area was bought by the Peruvian state during the "Chilenization" process, for use by elected Peruvian representatives. The statement bases this assertion on the validation of the illegal occupation of part of this area by Chile, in exchange for a compensation 'to be established according to the commercial value of the land.'"

It should be reiterated that the exchange of notes on 11 May 1993 fully upholds the Peruvian state ownership of "El Chinchorro," clearly establishes the area used by Chile without Peruvian Government approval, and notes the Chilean Government's commitment to pay the Peruvian Government compensation for the area that Chile has improperly used. Unlike previous governments, which decided to sell this land owned by the Peruvian state, the current government has successfully striven for this demand in order to give dignity to the Peruvian presence in Arica. This will be accomplished by making use of the land in harmony with the historical traditions of our forebears, with our country's cultural projection, and with the gradual normalization of our relations with Chile.

Consequently, the Binational Technical Commission will establish the areas in "El Chinchorro" that Chile used without consultation and will establish the appropriate compensation based on the value of such areas and the the level of compensation that is best for Peruvian interests. It is not appropriate, therefore, to prejudge how this compensation will be determined. All groups and institutions that have expressed interest in this issue will be represented in the Peruvian delegation to the Binational Technical Commission, particularly those representing the interests of Tacna.

5. The statement says that the convention violates the right to use the railway through the establishment of a binational police station where the Tacna-Arica railroad crosses the border, replacing existing controls in both cities.

The new system, which has still to be approved by the Peruvian and Chilean Interior Ministries, seeks to simplify, facilitate, and guarantee the fluid traffic of people and goods through that railroad service, overcoming present controls that hinder the freedom of Peruvian transit through Arica and the dignity of people using the railroad. The binational control, which is established on Chilean territory and not on Peruvian territory, will eliminate the need for the Chilean satellite station, which delayed the train for long periods. This will enhance free transit and improve the treatment of travelers.

6. The statement inexplicably presumes there is "an ill-conceived intention to revise our historic legacy through a program to disseminate and strengthen the teaching of our history," and links this matter to an alleged revision of Peruvian history text books.

The government categorically denies the existence of any such intention and states that the true purpose behind the initiative—as submitted to a study by the Cultural and Educational Mixed Commission—is to disseminate

the history of the two countries so that "the patriotic values incarnated by great men in our history can strengthen the links of solidarity and shared aspiration for a common future for Chile and Peru. [no closing quotation mark as published]

7. The Foreign Ministry, based on what is said above, conveys to the country's public opinion that the long negotiation process that ended with the signature of the Lima Conventions, the participation of outstanding experts and competent institutions, and the previous consultations carried out with the institutions that safeguard the fatherland and the Democratic Constituent Congress, have assured a bilateral commitment to fully implement the 1929 Treaty of Lima and its Supplementary Protocol, to preserve and broaden all Peruvian rights in Arica, and to consolidate Peru's presence in a territory that is dearly linked to our national feelings, in accordance with a peaceful and harmonious formula which will favorably aid the just and mutually respectful development of Peru's relations with Chile.

Lima, 19 August 1993.

Foreign Ministry

Press Directorate

'Official Communique' Rejects Ecuadoran Deputy Remarks

PY0209164293 Lima EL PERUANO in Spanish 24 Aug 93 p 1

[Text] Official Communique 22-RE

1. The Foreign Ministry hereby informs the public that at 1800 today Ecuadoran Ambassador Gustavo Ruales was summoned to the Foreign Ministry to receive a note protesting the grave offenses against Peru made by Ecuadoran Congress President Samuel Bellettini.

2. In the note, Oscar de la Puente Raygada, foreign minister and Council of Ministers president, strongly rejects Deputy Bellettini's expressions as offensive because they accuse the Peruvian Government of having alleged hidden intentions in its handling of relations with Ecuador. These remarks were made when most political and social groups in both countries recognize that the government has been handling our relations with clarity, responsibility, and maturity.

Lima, 23 August 1993.

Foreign Ministry.

Editors Note: The newspaper EL COMERCIO of Quito last week published statements by Deputy Samuel Bellettini, president of the Ecuadoran Congress, stating his opposition to the announced trip of President Sixto Duran-Ballen to Peru.

According to the publication, Bellettini insisted on requesting Vatican mediation to resolve the alleged border problem between Peru and Ecuador. The deputy also accused our country of "dismembering" Ecuadoran territory since the time of the Republic's foundation.

The legislator used extremely harsh words, characterizing Peru as the "Cain of America," and accusing our country of deceiving Ecuador by purporting to carry out bilateral dialogue in good faith. The Foreign Ministry communique refers specifically to these remarks.

'Powerful' Drug Traffickers Listed

PY2508194093 Lima LA REPUBLICA in Spanish 13 Aug 93 pp 18-19

[Article by Francisco Reyes from the "Investigative Unit"]

[Text] The leaders of the most powerful and influential drug-trafficking gangs operating in Peru are virtually unknown. They are only identified by their nicknames, although they handle millions of dollars and some of them are connected with the Colombian mafia groups. The following is an exclusive report on the so-called "companies" that engage in drug-trafficking operations in Peru.

The number of drug-trafficking gang leaders is not more than 50, but they handle an extensive network of people who stockpile washed cocaine paste; who are suppliers of chemical precursors; and drivers and people in charge of illegal landing strips.

The power of these mafia chiefs also extends over numerous hired gunmen, money laundering agents, drug peddlers, and agents who have infiltrated the different levels of the state apparatus they are interested in dominating.

The vast majority of the network is composed of peasants who farm coca leaves—many of whom now have become cocaine paste producers—and cocaine paste peddlers who are better known as "mules."

The "mules" are the last and weakest link in the drug trafficking chain in Peru, and they are the ones who fill jails and are identified as drug traffickers by extension. They also constitute 20 percent of the 17,500 inmates in Peruvian penal institutions.

In other instances, police operations have been launched ag ainst peasants who farm coca leaves. Since 1984, these peasants have been the target of persistent persecution by antidrug police and drug eradicators financed by the U.S. Government.

Large-scale drug traffickers, however, were simply ignored or neglected. This is evidenced by the small number of drug-trafficking leaders who have been arrested and the ridiculous amount of drugs seized each year.

Not a single important drug trafficker was captured in 1992. In Huallaga the antidrug police arrested several members of a gang known by the name of "Singa" that is

entrenched in Saposoa. The majority of them, however, was set free by the courts not long after their arrest.

Jesus Cavero Tiburcio, who operated in England, was arrested by Scotland Yard. He is now serving a long sentence in London. But his drug-trafficking gang continues to operate in Lima under the leadership of Cavero Tiburcio's brother, Inocencio, who is better known as "Limping Inocho" [Cojo Inocho].

So far this year, police have arrested and released three drug traffickers: A Colombian nicknamed "the Minister;" Luis Molqui Cardenas Guzman, alias "Tiny Crazy Fly"—son of the late "Crazy Fly;" and a drug trafficker known as "Colonel," who was released in February.

Over time, drug traffickers have expanded their operations and become more powerful.

"Vatican," who started in Uchiza besides "Vampire" in the mid-80's, is now one of the most dangerous and wealthy mafiosos in Peru.

"Vatican" has a fortune totalling more than $400 million and is a member of the exclusive Cali cartel, a mafioso organization that continues to operate despite the "war on drugs." The Medellin cartel is the only one that has suffered the harshest blows from the Colombian Government.

It is the Cali cartel that controls 90 percent of drug shipments to the United States, the main cocaine consumer in the world. Each year, the powerful Cali cartel members obtain more than $100 billion in profits [figure as published].

"Vatican," an emerging Peruvian drug trafficker, is a partner with the mafias headed by the Rodriguez Orejuela brothers and the group headed by Santa Cruz Londono, both of whom are leaders of the powerful Cali cartel.

Moreover, "Vatican" has close connections with the Valle Norte gang made up of Diego Montoya; Luis Hernando Gomez Bustamante, alias "Scratch" [Rasguno]; Hector Fabio Urdinola; and Arcangel de Jesus Henao. This gang has ample connections with the U.S. and European markets.

The amount of drug seized in 1992 totals 7.8 metric tons. This amount is slightly less than the amount of drugs seized four years ago. In 1988, antidrug police seized eight metric tons. During this period, however, coca leaf farming increased from 80,000 to 250,000 hectares.

In the 90's, the coca leaf farming "boom," which was centered in the Upper Huallaga region, has extended throughout the tropical Andean mountain range and from there to 12 other valleys extending from the Ecuadoran border to the north to the Bolivian border.

The attached list of Peruvian drug-trafficking leaders is still incomplete. It touches only the surface of a criminal apparatus that is perfectly established, and, what is worse, it is intact.

How can drug traffickers be sentenced to life imprisonment if their true identities are not even known by police? If any war is to be won, the first thing to be done is to know the enemy.

[Text] Main Drug Traffickers

ALIAS: Vatican, Crazy Limoniel, Bush, Sony, or Saddam
NAME: Demetrio Limoniel Chavez Penaherrera
ORIGIN: Peruvian (Saposoa)
AREA OF OPERATIONS:
BEFORE: Uchiza, Tocache, Campanilla, Saposoa
NOW: Colombia (Cali), Boca del Biavo
TYPE OF ACTIVITY: "Company" boss, stockpiler [acopiador] and wholesaler
DRUG HANDLED: From one to two international flights per day transporting 1 metric ton of washed PBC [basic coca paste lavada]

ALIAS: The Minister or Uncle Minister
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Pampa Hermosa
NOW: Yarina, Zungaro
TYPE OF ACTIVITY: "Company" boss; stockpiler, and wholesaler
DRUG HANDLED: Seven to eight flights per month transporting 2 metric tons of washed PBC

ALIAS: Cachique Brothers
NAME: Cachique Rivera
ORIGIN: Peruvians (Tingo Maria)
AREA OF OPERATIONS:
BEFORE: Monzon, Tingo Maria
NOW: Boca del Biavo, Santa Ana Aguaytia
TYPE OF ACTIVITY: "Company" bosses; stockpilers and cocaine manufacturers
DRUG HANDLED: Producing 500 kg of cocaine hydrochloride every 15 days

ALIAS: Chino, Jorge
NAME: Unknown
ORIGIN: Peruvian (Trujillo)
AREA OF OPERATIONS: [blank]
BEFORE: Uchiza, Dos de Mayo, Pampa Hermosa, El Sauce
NOW: Palmapampa, Lower Huallaga
TYPE OF ACTIVITY: "Company" boss, stockpiler, wholesaler
DRUG HANDLED: Over 1.5 metric tons of washed PBC

ALIAS: Lucho Culon
NAME: Unknown
ORIGIN: Peruvian (Cajamarca)
AREA OF OPERATIONS:

BEFORE: Pizana, Campanilla, Saposoa
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: Over 2 metric tons of washed PBC

ALIAS: Uncle Rios or Uncle Canas
NAME: Rios
ORIGIN: Peruvian (Moyobamba)
AREA OF OPERATIONS:
BEFORE: Paraiso, Huicungo, Uchiza
NOW: Aguaytia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 1.8 metric tons of washed PBC per week

ALIAS: Miguel Pena, or Chato Pena
NAME: Unknown
ORIGIN: Peruvian (Aucayacu)
AREA OF OPERATIONS:
BEFORE: Tingo Maria, Aucayacu
NOW: Palmapampa, Ramal de Aspuzana, Aguaytia, Cachicoto
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 1 metric ton of washed PBC

ALIAS: Picuro
NAME: Roy Araujo Lang
ORIGIN: Peruvian (Tocache)
AREA OF OPERATIONS:
BEFORE: Tocache, Campanilla, Saposoa
NOW: Palmapampa
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Uncle Powerful
NAME: Unknown
ORIGIN: [blank]
AREA OF OPERATIONS:
BEFORE: Peruvian (Huanuco)
NOW: Aucayacu, Ramal de Aspuzana
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 2 metric tons of washed PBC

ALIAS: La Calena
NAME: Bertha Chavez Penaherrera
ORIGIN: Peruvian (Saposoa)
AREA OF OPERATIONS:
BEFORE: Uchiza, Tocache, Campanilla
NOW: Lima, Tarapoto, Iquitos, Saposoa
TYPE OF ACTIVITY: "Company" boss and stockpiler
DRUG HANDLED: 500 kg of washed PBC every 15 days wholesale

ALIAS: Calavera or Colombo
NAME: Humberto Chavez Penaherrera
ORIGIN: Peruvian (Saposoa)
AREA OF OPERATIONS:
BEFORE: El Biavo, Juanjui
NOW: [blank]
TYPE OF ACTIVITY: Stockpiler, wholesaler
DRUG HANDLED: [blank]

ALIAS: Galleta
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Tocache
NOW: Uchiza
TYPE OF ACTIVITY: "Company" boss; stockpiler, and wholesaler
DRUG HANDLED: 800 kg of washed PBC

ALIAS: Clavo
NAME: Unknown
ORIGIN: Peruvian
AREA OF OPERATIONS:
BEFORE: Uchiza (Pucallpa)
NOW: Colombia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholsaler
DRUG HANDLED: 1 metric ton of washed PBC

ALIAS: Salomon or Nino
NAME: Juan Abraham Leguia
ORIGIN: Peruvian (Pucallpa)
AREA OF OPERATIONS:
BEFORE: Uchiza, Tocache
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss; wholesaler and stockpiler
DRUG HANDLED: 4 metric tons of washed PBC

ALIAS: Leo
NAME: [blank]
ORIGIN: Unknown
AREA OF OPERATIONS:
BEFORE: Colombian [as published]
NOW: Uchiza, Tocache
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Polaco
NAME: [blank]
ORIGIN: Unknown
AREA OF OPERATIONS:
BEFORE: Peruvian (Rioja) [as published]
NOW: Uchiza, Tocache, Campanilla, Saposoa
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Azul
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Campanilla, Saposoa
NOW: Zungaro
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 1 metric ton of washed PBC

ALIAS: Crespo
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Campanilla, Saposoa
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Bedoya
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Campanilla, Saposoa
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Tolima
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Campanilla, Saposoa
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss; stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Camello
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Aucayacu, Aguaytia
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Champa
NAME: Unknown
ORIGIN: Peruvian
AREA OF OPERATIONS:
BEFORE: Uchiza, Aucayacu, Saposoa, Aguaytia
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 1 metric ton of washed PBC

ALIAS: Pescuezo
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: [blank]
NOW: Aguaytia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 2 metric tons of washed PBC

ALIAS: Peaje
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: [blank]
NOW: Aguaytia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: [blank]

ALIAS: Trompa de Buque
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Uchiza
NOW: Aguaytia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Lucho Pelado
NAME: Unknown
ORIGIN: Peruvian
AREA OF OPERATIONS:
BEFORE: Uchiza (Tocache)
NOW: Zungaro, Aguaytia
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Uchuraccay Brothers
NAME: Unknown
ORIGIN: Peruvian
AREA OF OPERATIONS:
BEFORE: Aguaytia
NOW: Zungaro
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesalers
DRUG HANDLED: 300 kg of washed PBC

ALIAS: Burro
NAME: Unknown
ORIGIN: Peruvian (Tocahce)
AREA OF OPERATIONS:
BEFORE: Pampa Hermosa
NOW: Lower Huallaga
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: Over 500 kg of washed PBC
ALIAS: Uncle Braulio
NAME: Unknown
ORIGIN: Peruvian (Uchiza)
AREA OF OPERATIONS:
BEFORE: Uchiza, Campanilla, Huicungo
NOW: Lower Huallaga
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Toyota
NAME: Unknown
ORIGIN: Colombian Campanilla
AREA OF OPERATIONS:
BEFORE: Uchiza
NOW: Zungaro

TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: [blank]

ALIAS: Chivas
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Tocache, Uchiza, Huicungo
NOW: Lower Huallaga
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 400 kg of washed PBC

ALIAS: Chalis
NAME: Unknown
ORIGIN: Peruvian (Tingo Maria)
AREA OF OPERATIONS:
BEFORE: Monzon, Aguaytia
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Colonel
NAME: Unknown
ORIGIN: Peruvian
AREA OF OPERATIONS:
BEFORE: Uchiza (Huanuco)
NOW: Zungaro
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

ALIAS: Mosquitos
NAME: Luis and Carlos Cardenas Guzman
ORIGIN: Peruvians (Bellavista]
AREA OF OPERATIONS:
BEFORE: Bellavista, Iquitos
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, cocaine hydrochloride manufacturers and traffickers
DRUG HANDLED: [blank]

ALIAS: Cojo Inocho
NAME: Inocencio Cavero Tiburcio
ORIGIN: Peruvian (Huanuco)
AREA OF OPERATIONS:
BEFORE: Monzon, Tingo Maria
NOW: Iquitos
TYPE OF ACTIVITY: "Company" boss, cocaine hydrochloride manufacturer and trafficker
DRUG HANDLED: [blank]

ALIAS: Caravana
NAME: Unknown
ORIGIN: Colombian
AREA OF OPERATIONS:
BEFORE: Uchiza
NOW: [blank]
TYPE OF ACTIVITY: "Company" boss, stockpiler and wholesaler
DRUG HANDLED: 500 kg of washed PBC

Venezuela

Velasquez on De Facto Government; Ministers on Taxes

PA0209234093 Caracas EL DIARIO DE CARACAS in Spanish 1 Sep 93 p 22a

[Report by Hernan Lugo Galicia]

[Text] President Ramon J. Velasquez yesterday opened a special National Security Council meeting at Miraflores Presidential Palace. He warned that the installation of a de facto government in Venezuela would be harmful, because "dictatorships allow no debate; silence is their characteristic, and there is self-censorship and debate disappears."

Velasquez made this statement to the ministers of interior affairs, defense, justice, and family, secretary of the Presidency, Central Information Office, and presidents of the Supreme Court of Justice and Congress at a meeting during which they defined a strategy to guarantee security and defend democracy. "The United States has a ferocious dictatorship; it is the law. Its application is not influenced by who is involved. It is a democracy, because society participates," Velasquez said. The president predicted that the country will achieve this model and added that he will seek a national consensus around the elections.

There Will Be Taxes

The finance and coordination and planning [Cordiplan] ministers reaffirmed that there are no differences between them regarding the Enabling Law and added that they are trying to get tax laws approved before late September.

Finance Minister Carlos Rafael Silva said that ministry commissions are reviewing changes made by Congress, because irregularities were detected. He added that the "problem is complicated" by the collection of the Value Added Tax from wholesalers and the creation of a fund for the 20 states. Silva admitted that tax revenues will "mainly benefit the next government" due to a lack of infrastructure and time." [quotation marks as published]

Meanwhile, Cordiplan Minister Hernan Anzola said that the Finance Ministry and Cordiplan are sharing the workload. As for the laws pertaining to his ministry, Anzola said that the Law on Banks and the National Savings and Loans System will be presented, beginning today, to the banking community for its consideration and added that at the latest it will be approved by mid-September. Finance Minister Silva said foreign investors have shown interest in Venezuela "especially after Velasquez was installed at the Presidency."

Perez Files Appeal Against Congress' Decision

PA0209222593 Caracas Venezolana de Television Network in Spanish 1550 GMT 2 Sep 93

[Text] Former President Carlos Andres Perez went to the Supreme Court of Justice at 1140 this morning to file an appeal and to petition for an amparo, because he felt that Congress' decision [removing him from office] 31 August violates three of the Constitution's articles. He said he will talk to reporters upon leaving the Supreme Court building.

Fedecamaras Leader on Perez

PA0209153793 Caracas Venezolana de Television Network in Spanish 2350 GMT 1 Sep 93

[From "The News" newscast]

[Text] The economic sector has reacted to yesterday's decision by Congress [to declare President Carlos Andres Perez' permanent absence from office]. Edgardo Romero Nava, president of the country's most important business organization [Venezuelan Federation of Associations and Chambers of Commerce and Industry—Fedecamaras], said the most important thing needed now is for the executive branch to work hard and responsibly to enact, as soon as possible, the decree laws contemplated in the Special Powers Law, which, in one way or another, could resolve the fiscal deficit problem.

[Begin Romero recording] I think that at the political, economic, and social levels, this, at least, provides a solution to this issue, about which there had been uncertainty in the past 90 days. This decision brings calm at least. If there was revenge to be taken and accounts to be settled, this has already been done. Now I think the country has to devote itself to drafting laws with the participation of institutions. Fedecamaras expects to participate in all of this and see how we can resolve the country's great problems which undoubtedly continue to exist. [end recording]